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Paris, Tuesday, October 18, 1994

No. 34,722

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ment I effect to that so had when the Man father to a brong boom by Narrow Election Victory sering. But where cares, when then the runs of at Salver Schen Sing Fails to Lift Hopes on Leger had lescened up a high from shuts, or cure fabre for Big Economic Problems

By Rick Atkinson

BERLIN - It has been quite a year for Helmnt Kohl.

or the diese Designers at the me ing away from tailoring John les and Irish-based, made a good he dieses hand-panied with general and blue roles. The German chancellor presided over a were layered with mesh knis pos robust recovery from his country's worst recession since World War II. He ushered the last Russian troops from German soil. He came back from the political dead to win a fourth term in office, resurrecting

## **NEWS ANALYSIS**

the and dresses in the slittery in rios that look modern Roberts both his lifeless Christian Democratie Union and his even more moribund coalition partner, the Free Democrats. Now comes the hard part. o a comeback of color Kamp

As Monday morning's Berliner Zeitung newspaper observed of the governing coalition's narrow victory on Sunday, "What awaits Kohl and his new government is not an edifying term in office, but the hour of fabrics and his agnature folia m Russian peasants to 1920s (lage reality, a sobering confrontation with pent-up problems, the depths of which are only now becoming clear; oppressive mass unemployment, huge government debts, unpayable entitlements, a split society."

All true; unfortunately, for Germany and for Mr. Kohl, whose re-election, by just 143,000 votes out of nearly 50 million cast, hardly hands him a triumphant mandate with which to confront his country's Vestern Europe challenges. A 10-seat majority out of 672 seats in the Parliament, West German Raio observed, "is a miserable starting point an effective government." Highton with the Krahon Mes E

And if Germany is meffective, the conquences extend far beyond Bonn or the Black Forest. The German economy is the world's third largest, behind those of the United States and Japan.

duce the love poems of W.H. 42 As Europe's most populous nation, geo-traphically centered in a continent strugthe student leads is divided along gling to become one again, Germany is simply too big, too central and too rich to avoid becoming the different du which Eumanner I astern Furere, Western preference will teach classes

ropean progress teeters.
In explaining why he s tenure that has already lasted 12 years, Mr. Kohl cites twin ambitions: finishing the work of European unity and finishing the

See KOHL, Page 10

## in Opera Company. "Ou die **Dollar Tumbles** Donatetu, Rossini Mozar, 48 He performed three Richard's **Against Mark** r in an imprompts concention chool year on Oct 3. They as he bag repertors of Verdi adds

LONDON - In a wild roller-coaster ride on the world's currency markets, the dollar tumbled Monday to its lowest levels against the Dentsche mark in two years after German voters returned Chancellor Helmut Kohl's coalition government to

The dollar also weakened against the yea, the French franc and other major

The dollar began the day tumbling through the crucial 1.5000 DM level in Direct and World Const early trading in Asia. It then firmed considerably in Europe, only to slump again in the United States and close at 1.4980 DM. lets you muckly place at

The gyrations left analysts in London, the world's largest currency market, warnthes at any of the light eight of American currency in the near term. Even worse, some saw a couple of major negatives overhanging the dollar.

. Meanwhile, the traditional remedy for

an ailing currency — a boost in interest rates — was still seen as some time off. - An increase is not expected until the next meeting of the Federal Reserve's rate-setting Open Market Committee, on Nov. 15. That date is seen as too late by some foreign exchange analysts, who stress that the markets have never been known for

horient. Mer haling the ISC "November 15 still seems a long way away, and the prospect of another half a percentage point increase in interest rates seems neither here nor there," said Tim Fox, a currency economist at Credit

Your call will age through the from Treasury Secretary Lloyd Bentsen on



King Hussein, left, embracing Mr. Peres on Monday after their agreement on a draft treaty, as Mr. Rabin looks on.

# A 'Fresh Beginning' For Israel and Jordan

# Draft Peace Agreement Is Initialed, Marking End to Decades of Hostility

By Alan Cowell

New York Tunes Service AMMAN, Jordan - After tortuous overnight negotiations and with little advance fanfare, Israel and Jordan initialed a draft peace treaty Monday in the first major addition to the patchwork of Middle East peace since last year's agreement between Israel and the Palestine Liberation Organization.

The treaty joined lands whose conflicts had for more than 20 years left them as uneasy neighbors rather than active combatants. But in the region's diplomacy, it maintained the momentum of peace efforts and shifted the diplomatic focus to Syria and Lebanon as Israel's only neigh-bors still in a state of war. Israel signed its first peace agreement with an Arah neighbor in 1979 when it formally ended hostilities with Egypt.

Neither of the signers made public de-tails of the accord, and officials said a final agreement still had to be worked out.

Israeli radio reported that the deal involved Israel's agreeing to divert some 50 million cubic meters of water a year to Jordan where, as elsewhere in this region, water is almost as valuable a commodity as oil in calculations of economic viability.

Additionally, the two sides reportedly agreed to build dams on the Yarmuk and Jordan rivers at an unspecified later stage to increase water supplies to both coun-

forts to turn military equipment makers into manufacture

See CHINA, Page 10

tant component of that.

Israeli radio said the two sides had also reached a complex accord on territory that would allow Jordan to reassert its sovereignty over a pocket of Israeli-occupied territory measuring some 350 square kilometers (135 square nules) along their southern border, but lease about 3t) square kilometers of the territory back to Israel.

The unusual arrangement could become precedent for Israel's negotiations with yria over the far more extensive and explosive issue of who controls the Israelioccupied Golan Heights. This is the cen-tral theme of Israel's conflict with President Hafez Assad in Damascus.

In Amman on Monday, both Israeli and Jordanian leaders seemed intent on underscoring the virtues of their agreement and the warmth of a relationship that is widely thought to have grown in secrecy when the two sides were not officially on speaking

"No one lost," Prime Minister Yitzhak Rabin of Israel said, "No one won. We all

"Between us, hopefully, it is a fresh beginning, a fresh start," King Hussein said at the ceremony in the royal guest palace where the treaty was initialed by Mr. Rabin and his Jordanian counterpart, Abdul Salam Majali.

"I hope and pray it is something we leave behind for all the generations to

come," the king said.
The king told Mr. Rahin that he wanted to "salute your determination and untiring

Mr. Rahin turned to the Jordanian monarch, whose control over the West Bank was ended by Israel with the 1967 Middle East war, and spoke of "the unique courage that is so characteristic of King Hus-Mr. Perry stressed that military relations could not develop fully without improvements in U.S.-Chinese overall relations, and that human rights were an imporsein in whalever he has done."

Foreign Minister Shimon Peres of Israel later surprised many Jordanians by em-bracing the king and kissing him on both cheeks, a traditional form of Arah greet-

Although conceding that the discussion of human rights did not lead to any "common views," a senior U.S. official said the talks were "nonpolemical" and at least opened an additional channel to address such issues. President Bill Clinton welcomed the agreement and is expected to attend the signing ceremony in late October, Agence State Department human-rights officials have been rance-Presse reported from Washington. largely stymied in their efforts to engage the Chinese

["I am delighted by the announcement," government on human-rights issues, including prison conditions, the detention of dissidents and the jamming said, adding that King Hussein and Mr. Rabin "today resolved that their nations would henceforth live in peace and as good The signing of the accord to create the Joint Defense neighbors."] Conversion Commission is aimed at aiding Chinese ef-

Jordan signed an agreement with Israel pluly ending a formal state of war that id endured for 46 years.

Until Sunday, however, there had been ittle indication that the negotiations beween Jordan and Israel, which started with the Madrid peace conference in 1991. were close to overcoming unresolved differences over water, territory and security

Then, on Sunday night, it was learned that Mr. Rahin and Mr. Peres Peres had See PEACE, Page 2

# Philip Chides Charles Over Lack of Royal Discretion

ter and three senior service commanders.

and accide nonpromeration.

In Turnabout, U.S. to Help China's Army Make Goods

Mr. Perry called the meetings "a good start," and Mr.

Chi said "both sides have shown a positive attitude for

the restoration and development of relations between the

American officials said the talks dealt with six issues:

North Korea, the halt of long-range missile exports by

China, the spread of nuclear weapons, human rights,

defense conversion and the need to make China's military

less secretive. Both sides affirmed commitments to a

nuclear-free Korean Peninsula, the end of missile exports

not marred by any discussion of U.S. relations with

Taiwan. Discussions of human rights were amicable. American officials said, taking up 15 to 20 minutes of Mr. Perry's two-hour meeting with the Chinese defense minis-

In sharp contrast to Chinese meetings with State De-

By John Darnton
New York Times Service

Science, Technology and Industry.

By Steven Mufson

Washington Post Service BELJING - The Clinton administration, which just a

few months ago was considering import sanctions on toys, pharmaceuticals, clothes and other goods made by Chinese military enterprises, signed an accord on Mon-day that provides U.S. assistance to help the Chinese

military make even more civilian products.

The turnaround is part of the U.S.-Chinese rapproche-

ment underlined by a four-day visit by Defense Secretary

William J. Perry, Mr. Perry, who has visited China nine

times though never as defense secretary, was warmly

fense Minister Chi Haotian as well as Liu Huaqing,

deputy chairman of the Central Military Commission,

and Ding Henggao, the minister of the Commission of

He met with Foreign Minister Qian Qichen and De-

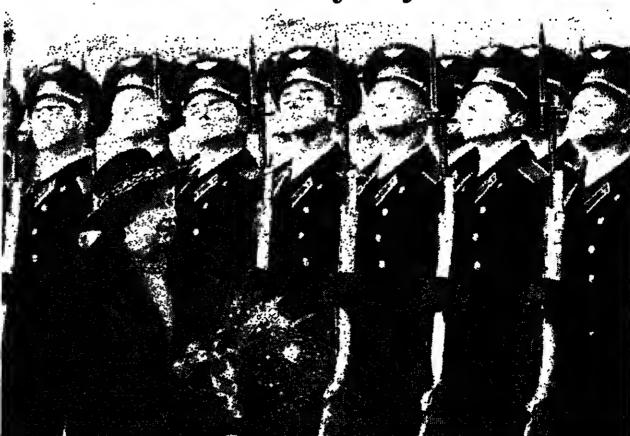
LONDON - In a move pointing to a rift in the Windsor family, the Duke of Edinhargh delivered a public rehuke on Monday to his son, the Prince of Wales, for cooperating with a hiography that presents the prince as someone who underwent a lonely childhood, has an unsatisfactory relationship with his parents and was browbeaten into a loveless marriage. Excerpts from the book, which will go on sale next month, appeared Sunday in The Sunday Times. It has proved a homb-

The Duke of Edinhurgh, portrayed unflatteringly in the book as a domineering father whose harsh words could reduce Charles to tears, responded obliquely in an interview in the Daily Telegraph. He made it clear that he felt that members of the royal family should keep their family matters out of the public domain.

"I've never discussed private matters and I don't think the queen has either," he said. "Very few members of the family have." The newspaper said that Prince Philip had reportedly referred to the biog-raphy, titled "The Prince of Wales," as "that turgid book."

In addition to chastising his son for baring his soul in public, Philip noted that the monarchy had been around for "the last thousand years." "If it's lasted that

Britons have been subjected to a re-



long, it can't be all that bad," he said.
The controversy has overshadowed a visit to Russia by Queen Elizabeth and

markable washing of dirty royal linen in See RIFT. Page 10

Queen Elizabeth reviewing an honor guard Monday at the airport in Moscow as she began a visit to Russia. Page 2.

## Kiosk

## **V.S.-North Korea Nuclear Deal Is Set**

GENEVA (Reuters) - The United States and North Korea reached agreement Monday on a framework docu-inent for a deal on Pyongyang's nuclear program, the chief U.S. negotiator, Robert L. Gallucci, said early Tuesday.

Newsstand Prices Andorra 9.00 FF Luxembourg 60 L. Fr
Antilles 11.20 FF Morocco 12.00 Rolos
Egypt E.P. 5000 Réunion 11.20 FF
France 9.00 FF Saudi Arabio 9.00 R.
Gabon, 960 CFA Senegal 960 CFA
Greece 300 Dr. Spain 200 PTAS
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Ivory Chast 1.120 CFA Turkey T. L. 35,000
Jordan J. D. U.A.E. 8.50 Dirh
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Without giving details, Mr. Gallucci said that the document was being referred back to the two nations' capitals for their approval, but that be was recommending that Washington sign it. Earlier article, Page 4

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# South Africa's Servant Class Struggles On

By Isabel Wilkerson New York Times Service

JOHANNESBURG - A desperate call came into the drab offices of the domestic workers' union here one recent afternoon. It was from a maid who had worked 10 straight years without a day off and was being dismissed after asking for a day to herself.

A roomful of domestics, in their third-hand clothes and trademark berets, overheard the conversation. They were tired and far from their homelands and had not seen their families since Christmas. They are, slept and talked to their children at the pleasure of their employers. Some fretted that they had to get back to make supper for the bosses and wash their dishes and pick up their shoes. Some could lose their jobs if their employers knew they were dallying with the union. Indeed, some already

And so when the call came in from a maid in trouble, the domestics had few tears left to shed for her. They looked down at the carpet in painful recognition. In the months since South Africa's humblest workers went to

the polls for the first time, many defying their employers to vote for Nelson Mandela, life has changed little for the people who form the human scaffolding of South Africa's white elite.

Earlier this year, in a bid to get their votes, the former government expanded the labor laws to give basic protection to domestic workers for the first time, entitling them to things like sick leave and hunch breaks. But because there appears to be little in the way of enforcement, and because domestics often work in gated isolation and in fear of losing their jobs, the rules are usually ignored, government officials conced

"It's even worse than it was before," said Selina Vilakazi, an organizer for the 70,000-member union. "When you ask for a raise, they say, 'Go and ask Mandela.' It's revenge. They're trying to show us they do not recognize him."

In the harshest cases, where live-in domestics are viewed as family property, they are not permitted to leave the premises unless the boss says so or else they are sometimes beaten, raped

See SERVANTS, Page 10

# Chunnel Opens Door Nov. 14 To Passengers By Erik Ipsen

LONDON - The wait for passenger trains through the Channel Tunnel is almost over.

Euroster, the operator of through pas-senger trains from London to Paris and Brussels, announced Monday that it would begin service Nov. 14.

That news came on the same day that

the tunnel's operators, Eurotunnel, an-nounced that because of the delayed start of service their revenues for the first six months of the year were 75 percent below projections made in May.

The Eurotunnel chairman, Sir Alastair Morton, noting a "frustrating and difficult" first nine months of the year, sound-

ed an upbeat message about the future.

"All I am saying is that we are late; we are sorry, but the product is now in place," he said at a news conference.

Eurostar said its through-train passenger service would begin Nov. 14, with two trains per day from London to both Paris and Brussels. The round-trip fares for the Paris journey, which takes 3 hours, and the trip to Brussels, which takes 3 hours 15 minutes, will be 1,290 French francs (\$248) in second class and 1,620 francs in first

By Easter, Eurotunnel officials said they expected to be operating full schedules on each of its two passenger and two freight services.

Eurotunnel officials said delays in test-mg and commissioning both its rolling stock and its fixed systems, like signals, were responsible for delays that have pushed the opening dates well beyond the tunnel's inauguration in early May.

The delays were blamed for a shortfall in Eurotunnel's expected cash position at the end of the year of £50 million (\$80 million), cutting its cash cushion to £200 mil-lion. Sir Alastair stressed, however, that his company did not foresee any problems in its loan agreements with its 220 banks over their £8 billion in loans. He also ruled out any further rights issues after May's £850

million share offer. Shares in Eurotunnel finished the Mon-

See TUNNEL, Page 10

# German Vote Gives Socialists New Role

## Scharping Warns of Troubles For Weakened Kohl Coalition

By Craig R. Whitney New York Times Sernce

BONN - Chancellor Helmut Kohl, his government co-alition whittled down to a 10seat majority in Parliament in Sunday's elections, dismissed the setback Monday as no obstacle to his ability to keep goveming Germany for another four years.

But on any major decision affecting the future of Germany, Europe, or trans-Atlantic relations, the chancellor now appears to have little option but to seek consensus with the opposition first.

"A majority is a majority," he said Monday, trying to look just as confidently in charge as he had heen when he had a 134-seat edge, before the vote. "It's been four difficult years

since the last election," he added, alluding to the high costs and social and economic turbulence brought hy German re-unification in 1990.

Rudolf Scharping, the 46-year-old leader of the largest opposition party, the Social Democrats, predicted just as confidently that the days of the coalition were numbered.

"It will soon run into heavy seas," he told reporters at party headquarters, where he tried to look like a man who knows time is on his side.

Some seasoned diplomats here believe that Mr. Scharping. who gave np his state governorship to lead his party in Parliament here for the next four years, is clearly the man to watch, even though Mr. Kohl managed to hold on this time.

The chancellor's Christian Democratic alliance won 41.5 percent of the vote, and their Free Democratic coalition partners emerged with 6.9 percent, according to official prelimi-

nary results Monday. Not only did the election strengthen the opposition Social Democrats and the environmentalist Greens in the lower house of Parliament, but simultaneous votes for three state legislatures assured the Social Democrats of a continued two-thirds majority in the upper house, which represents the states and has to approve all

## Swastikas Mar Holocaust Exhibit

Agence France-Presse ORANIENBURG, Germany — Two swastikas were daubed on photographs in a permanent exhibition at the cial Democrats from a much weaker political posity 1.

Mr. Kohl, who be doctor-

is housed in a former barracks fore. Willy Brandt became used by prisoners. Some chancellor with only a 12-seat 200,000 people were deported edge over the Christian Demoto Sachsenhausen from 1936 to crats in 1969, he said, and 1945, half of whom died.

In 1992, arson destroyed a camp barracks used by Jewish deportees at Sachsenhausen that housed another museum.

legislation before it can become

Nothing can be done over the next four years without the Social Democratic Party," Mr.

Scharping said.

Regarding the durability of Mr. Kohl's unstable majority, he said, "I would bet on two years rather than four. Mr. Scharping plans to run

again for chancellor in 1998; Mr. Kohl said be would not. Neither Mr. Scharping nor Mr. Kohl gave any encouragement to talk of a formal "grand coalition" that would unite

their parties.

was causing.

Politicians of both parties said they were encouraged hy the poor showing of the radical rightist Republican Party, which was resurgent only a few years ago, when hundreds of thousands of foreign asylumseekers and immigrants were pouring into the country and the major parties seemed to be ignoring the unease the influx

The Republicans won only 1.9 percent of the national vote

"They have become a completely insignificant splinter party," Mr. Kohl said. "German democracy is stable, which is one of the most important results of the election as far as desire and ability to press for the country's reputation ahroad is concerned."

Foreign reaction to Mr. Kohl's narrow victory was posi- said Monday. tive, particularly from the other capitals of the European Union, the 12-nation hulwark that Mr. Kohl wants to expand to Eastern Europe.

On the main issue of concern to the Clinton administration. whether Germany will be more willing to play a full part in peacekeeping and other miliary missions sanctioned by the United Nations, Mr. Scharping's party is more skeptical about foreign missions than Mr. Kohl's. The Social Democrats took the government to the country's highest court last summer in an unsuccessful challenge to the constitutionality of such missions.

Mr. Kohl did not campaign on a platform announcing any dramatic change, and has sought consensus in the past on economic policies. With 3.5 million people unemployed and German economic strength under challenge from newly com-petitive economies in Asia and Eastern Europe, dealing with these problems will require him to seek agreement with the So-

former concentration camp at Sachsenhausen, near Berlin, the police said Monday.

They were discovered by an employee at the museum, which is housed in a former harracks. Chancellor Helmut Schmidt held onto power with a 10-seat majority for six years after Mr. Kohl nearly unseated him in



# Gregor Gysi, left, parliamentary leader of Germany's Party of Democratic Socialism (ex-Communist), getting a kiss Monday in Berlin from Christa Luft, an aide of the former East Germany, as the PDS chairman, Lothar Bisky, laughs. Seen From Brussels, Kohl Is Still Strong

Pro-EU Nordics Bolstered by Finnish Vote

The important thing was the Finnish example this time.

result," said Mats Erikson, a now fallen into place," she said

Mr. Carlsson proclaimed compared strategies when Mr. himself "very pleased" when Carlsson traveled to Oslo on the result came in Sunday, say-

native put forward by cam- approval in June, the Finnish

By Tom Buerkle mal Heraid Tribione

BRUSSELS --- Although his hold on German power was weakened in the national elec-tion, Chancellor Helmut Kohl's deeper European integration appears very much intact, German and European officials

Mr. Kohl's hargaining power in the European Union is stronger than his 10-seat parliamentary majority suggests because the opposition is deeply divided and the Social Democrats, which dominate it, share his vision of closer political and economic cooperation between EU member states, officials said.

BRUSSELS - Pro-Europe-

an Union forces in Sweden and

Norway claimed fresh momen-

tum for their membership ambitions on Monday following the vote in favor of EU entry by

In Finland, the final margin

of 57 percent to 43 percent was

slightly below expectations, giv-en a more than 60 percent "yes"

Finnish voters.

no difference in the main policy direction between the Social Democrats and the two governing parties," an EU diplomat

While Mr. Kohl's Christian Democratic Union has enunciated a clear proposal for re-forming the EU ahead of a crucial 1996 EU conference, most of his fellow leaders are ducking the issue because of big rifts at home, officials said.

A recent call by the Christian Democratic Union for a hard core of five EU countries to prosperity into Eastern Europe. move faster toward a single currency and closer political coop-eration has provoked little de-Both the ruling conservative coalition and the Socialists are "On European affairs, there's seeking to avoid their internal Mr. Kohl said.

13 and Norway on Nov. 28.

Ingvar Carlsson of Sweden.

ing it eliminated the main alter-

that it was a very, very clear

spokesman for Prime Minister Sunday night.

splits over the Union while jockeying for next spring's presidential election. At his first postelection news

conference, Mr. Kohl said Monday that "huilding the European house" remained a top priority for his new four-year mandate. As the coalition's plan spells out, that includes deepening EU integration to prevent any reversion to the deadly national rivalries of the past while extending the bloc's frontiers to project stability and

"If the Germans don't realize now that German unity as a historical event will be wasted if hate in France, for example, we don't press ahead in parallel with European unity, then there phobic policies, this diplomat is no hope for the Germans,

membership in 1972, to follow

"One piece of the puzzle has

The two prime ministers

Much more than Austria's

A Spanish diplomat said the German coalition's reduced majority would not deter Mr. Kohl's aims for Europe but could make him more flexible in achieving them.

"They are sufficiently strong to be the good old Germany" at the forefront of European integration, he said, "and sufficiently weak with a narrow majority to be pragmatic. It's good news for Europe."

Perhaps more important for Europe than Mr. Kohl's majority was the reduced electoral support for the far-right Republican Party, which opposes the Union as part of its xenosaid. "That is good for every-

want to turn next to incorporat-

ing such East European states

which were drawn up by the

Cold War," a senior Foreign

Ministry official said in Bonn.

The Union is visibly taking on

responsibility in an undivided

Czech and Slovak republics.

## WORLD BRIEFS

## Berlusconi Mafia Remarks Draw Fire

ROME (Reuters) — Opposition politicians sharply criticized Prime Minister Silvio Berlusconi on Monday for saying the Mafia

vas an insignificant force. The leftist opposition in Parliament, whose main force is the former Communists, now known as the Democratic Party of the Left, demanded that the prime minister appear before the legislature's anti-Malia commission to explain his comments. Mr. Berlusconi's remarks, made in Moscow during a visit on Oct. 14 and

115, received wide coverage in Italian newspapers on Sunday.

"In Italy, the reality of the Mafia is nothing in comparison to the reality of good, hard-working people," Mr. Berlusconi was quoted as saying. "The Mafia is probably one ten-thousandth or one-millionth of 56 million Italians," he said. "Are we going to let about 100 people give the world a negative image of Italy?"

## Afghan Election Plan Is Rejected

PESHAWAR, Pakistan (Reuters) - Opponents of the Afghan president, Burbanuddin Rabbani, rejected his plan on Monday for a traditional assembly to elect his successor and launched a rocket attack on Kabul that official radio said killed four people.

Mr. Rabbani and three other mujahidin leaders announced an agreement to convene the Loya Jirga, or grand assembly, to elect the next president. But the plan rules out any role for General Abdul Rashid Dustam, leader of the country's largest militia and a major ally of Prime Minister Gulbuddin Hekmatyar in the anti-

Rabhani Supreme Coordination Council.

Militias controlled by Mr. Hekmatyar and General Dustam fired rockets into residential areas of Kabul on Monday, killing 4 people and wounding 17, Kabul radio said.

## Mitterrand Assails Political Funding

PARIS (Reuters) — President François Mitterrand has called for a ban on the financing of political parties by companies as corruption scandals jolt the center-right government of Prime Minister Edouard Balladur.

Mr. Mitterrand said that he was convinced that such funding creates unhealthy relationships between political leaders and company managers, he told the daily Ouest-France in an interview to be published Tuesday. "Let us ban this, and impose a ceiling on spending and measures on state financing and there will

be less suspicions surrounding political life," he said.
"My experience teaches me that money has never decided the outcome of a poll, but many candidates have thought it does and have made mistakes," Mr. Mitterrand said.

## U.K. Pair Held in Romania Ask Aid

LONDON (AP) - The British couple convicted of trying to smuggle a baby out of Romania appealed Monday to Prime Minister John Major to intervene in their case.

Bernadette Mooney, 40, said in a British television interview:

"We just do not know which way to turn. It is just hell. I cannot

explain how we feel. It is just so awful. The prospect of going into prison is just so unthinkable."

She and her husband, Adrian, 42, were sentenced Friday to 28 months in prison for trying to take a 5-month-old girl out of the country. They are staying in a rented apartment in Bucharest with their 3-year-old daughter, whom they legally adopted in Romania in 1991, pending their appeal.

## TRAVEL UPDATE

## **New Air Terminal Set for Frankfurt**

FRANKFURT (AFX) - Lufthansa German Airlines said in and the company that operates the Frankfurt airport would invest more than \$300 million the next three years in a terminal for the hoped for ahead of ballots in Brundtland urged voters in border, and strengthens the EU more skeptical Sweden on Nov. Norway, which rejected EU forces led by Germany that airline's use

Aside from Lufthansa, the terminal will be used by partner companies, such as United Airlines and Thai Airways, Lufthansa as Poland, Hungary and the said. Most of the work will be completed by 1996 and the entire project is expected to be finished by the summer of 1998. 'We are crossing border lines

The first two cases of cholera have been identified in Bucharest, an official said Monday. More than 60 cases have been reported in Romania over the last month, mainly in rural areas.

A record 21.9 million tourists will visit Portugal this year, a tourism official said, adding that tourism revenue would be up 3 percent to 4 percent over last year.

Singapore's air quality on Monday was at its best since a heavy haze of smog settled over the island state two months ago, an Environment Ministry official said, But the ministry said -TOM BUERKLE parts of Malaysia and Indonesia, officially dispersed. (Reuters)

## vote in advance returns last week, and lagged behind Auspaigners for a "no" vote: that vote portends a historic shift in He added that "this enlargethe Nordic countries form their the European Union's directria's 67 percent vote in favor of ment is but a step toward furmembership in June. own union to better protect tion. It takes the bloc directly to ther enlargements" that will Russia, with which it will share bring Eastern Europe on board. too soon to pronounce the lingering haze, which has also covered Still, officials said it was just their interests. Prime Minister Gro Harlem a 1,270-kilometer (790-mile) the type of signal they had

Queen Visits Russia, Mending Rift Begun by Czar's Slaying

By Margaret Shapiro

Washington Post Service

MOSCOW — Queen Elizabeth II Russia for the assassination of Czar home. Nicholas II, a distant cousin whose

The royal visit, which British offifuror in England over a new biography of Prince Charles, Elizabeth's son and

Buckingham Palace aides in Mos-cow spent much of Monday playing polls showing as many as 18 percent of has a unique gift to carry out her ment refused to give Nicholas political down the scandal caused by the book. Russians favoring a return to the mon-mostly representative functions with asylum after he was overthrown in arrived in Russia on Monday for a visit in which Charles said he never loved that draws a symbolic close to seven his wife and suffered from a lack of decades of royal frostiness toward affection and a domineering father at become popular. Recently, a monar-

Russians, however, seemed less inmurder at the hands of Bolshevik revo-terested in the newest royal dustup lutionaries in 1918 ended the monar- than in the glitz of having real royalty here again. Newspaper and television coverage of this first visit by a reigning cials considered one of the queen's British monarch began several days most important foreign trips, was ago and continued at a fast pace Mon- as a model of what a modern-day mon- sassins hid them in 1918. overshadowed before it began by the day, with particular focus on the glitter and the generally warm feelings most Britons have toward Elizabeth.

archy. Nostalgia about Nicholas II royal dignity."

royal dignity."

1917. apparently because George and his family, who died with him, has

Whether Elizabeth will say anything feared an upsurge of antimonarchist chist party has started up. And a teenage descendant of Nicholas II's, who lives in Europe and is said to be the Petersburg where czars are buried and until now. But the dramatic political

arch could be. "In my opinion, Elizabeth is the perfect advertisement for George V, and Nicholas were first Prince Philip, the queen's husband, the monarchy, of course a constitu- cousins and looked almost like twins. and her son Charles, have previously

publicly during the trip about her dis-sentiment in England. tant cousin, the last Russian czar, was unclear. She will visit the church in St. Nicholas had prevented a royal trip

Russia itself is in the middle of a tional monarchy," said a television Although the two monarchs had been to Russia.

inheritor of the Romanov throne, has been treated with growing respect, even in official circles here.

Many in Russia clearly see Elizabeth

Sassins hid them in 1918

Many in Russia clearly see Elizabeth

Sassins hid them in 1918

Many in Russia clearly see Elizabeth

Sassins hid them in 1918 President Boris N. Yeltsin. Other Elizaheth's grandfather, King members of the royal family, including

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# New NATO Chief's No. 1 Goal: East as Partners

BRUSSELS - NATO's new secretary-general began his job on Monday by saying that the Western alliance should give top priority to extending its "security and stability" to former foes in Eastега Ешгоре.

Willy Claes, on his first day in the North Atlantic Treaty Organization's top civilian post, said the West should work with its "new partners to the East" to widen the security community.

"This is a historic duty, and I consider its realization the No. 1 goal of my tenure," said Mr. Claes, who was previously Belgium's foreign minister. Mr. Claes was chosen by the Atlantic

alliance's 16 member nations to succeed Manfred Worner of Germany, who died of cancer in August after six years as

secretary-general.

Mr. Claes did not refer to differences among the allies over the pace of opening up NATO to new members from the old Warsaw Pact.

Defense Minister Volker Rühe of Germany is leading calls within NATO for full membership to be granted quickly to Poland, Hungary, the Czech Republic and other former East bloc nations clamoring for an extension of the alliance's guarantee that an attack on one member is considered an attack on all.

Mr. Claes also avoided direct comment on the latest disagreement between NATO and the United Nations over the scope of allied action in Bosnia.

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la Remarks Drawn

Michigan Malan Sala

federal prison ever custom-built for the "predatory" 400 worst convicts in the nation's booming penal system.

The new, \$60 million Administrative Maximum Facility glints here at the foot of the Rockies as impressive evidence of society's wrath and penology's adaptability as America's rate of imprisonment continues to rise to five times that of Western Europe's. Inside, the prisoners will find a su-

per-controlled environment that enforces a hard-edged solitude to contain the risk of social mixing and violence. Even the cell windows deny them all views of the outside except the sky

By Francis X. Clines

New York Times Service

towers and hermetic cells opens its

FLORENCE, Colorado - A pastel

The prison is a study in penal futur-ism. It is the state-of-the-art diadem in America's growing prison kingdom in which the maximum-security level of heightened confinement has become something of a rage among the states, too, since it was introduced in 1983 by federal prison officials.

By Richard L. Berke

New York Times Service

the glory days of Ronald Rea-gan. Attack Bill Clinton. Forget George Bush. Avoid trouble-

some social issues like abortion.

Attack Washington, Move to

Six years after Mr. Reagan

left the White House and two

years after Mr. Bush lost the

party's hold on it, Republican

candidates around the country

are once again trying to revive

the Reagan legacy and, to some

degree, his conservative legisla-

An examination of cam-

paigns for the House, the Sen-

ate and governorships national-

ly found that Republican

candidates willing to call them-

selves moderates have all but

Former President George

Bush, who is still kept at arm's

length by the party's right wing

despite his fumbling embrace of

it during the 1992 party conven-

tion, gets not even a passing

reference from most candi-

Still, this second attempt at a

Reagan Revolution appears to

be falling short of growing into

a national legislative agenda,

particularly the effort by Rep-

resentative Newt Gingrich of

Georgia, the House Republican

whip, to unify House caudi-

dates with a grand agenda

called "Contract With Ameri-

like the Reagan playbook,

are more comfortable espous-

ing conservatism on their own

terms. That leaves Mr. Clinton

as the single theme that is galva-

referendum on Clintonism ver-

sus a more conservative agenda

that Ronald Reagan and Dan

Quayle articulate," said David

McIntosh, a Republican run-

ning for the House in the Sec-

ond Congressional District here

in east central Indiana. "My

platform is for lower taxes, less

government and restoring Hoo-

the seat being vacated by Representative Philip R. Sharp, a

Democrat, was among more

than 300 Republican candi-

Thunderstorms brought up to

9 inches of rain across southeast

Texas early Monday and

caused extensive flash flooding

that was blamed for at least two

carred when rising waters swept

cars off roads north of Hous-

ton, where some of the worst

flooding was reported, Sheriff Guy Williams said. Two other

• A nuclear plant ended tours

after members of a chemistry

club at the University of South-

em Maine were exposed to ra-

• A man who is serving a 100year sentence for murdering a

federal witness and three CBS

technicians in New York City

in 1982 killed a fellow inmate at

Auburn Correctional Facility, a

Central Park at night was seized

from behind and raped by a man wielding a knife, a few

blocks from where another jog-

ger was beaten and raped by a gang of youths in 1989, police said. It was the 11th rape in the

park this year, up from nine in all of 1993 and four in 1992, the

state prison official said. • A woman running laps around the reservoir in Manhattan's

persons were still missing.

dioactive gas.

\* 40 ELAS -

Away From Politics

drownings. Both deaths oc- noon.

Mr. McIntosh, who is seeking

"This election is going to be a

nizing Republicans.

Although the contract reads

the right.

tive agenda.

disappeared.

MUNCIE, Indiana — Recall

Republicans Revive

The Reagan Dream

But Can They Make It Work?

Twenty-five states have followed the tencing Project, a nonprofit prison have been stressing that crime preven-federal lead and adapted prisons to be watchdog organization, say the prison tion and prison rehabilitation are be-immate cannot make eye contact with penitentiary of mirror-glass gun steel doors next month as the first or less a day, and then only with legirons, handcuffs and an escort of two. or three guards per inmate.

This approach, resorted to after the murders of federal corrections officers by hard-core inmates sentenced to prison for life, is a state of individualized captivity. Less than 1 percent of immates are subjected to its rigors, but it operates as a systemwide, worst-case deterrent in focusing on inmates rated unusually disruptive, predatory or escape-prone.

The new prison here further limits the risks of mobility hy providing each inmate his own in-cell shower stall, with flood-proof plumbing controlled by monitoring guards. And each has his own television set, but in strict black-and-white on a 12-inch (30-centimeter) screen lest law-abiding taxpayers be roused by the notion of a felon free to stare at life in living color. Critics like Marc Mauer of the Sen-

dates who marched to the steps

of the Capitol last month to

sign the contract. But back at

home, Mr. McIntosh is not

making much of the document.

Rather, he, like many other Re-

publicans who trooped to Washington, is using the Rea-

gan mantle in large part to de-

In front of his headquarters

in San Diego, Brian Bilbray, a

Republican who is trying to un-

seat Representative Lynn

Schenk, a first-term Democrat,

also sounded a conservative call

to arms: "The public is really in a state of mind where it's ready

make too much of the contract,

asserting that its goals "are not

exactly the Ten Command-

Mr. Gingrich's strategy in

trying to "nationalize" the elec-

tions has as much to do with

trying to set a course for those

would eventually triumph.

"A lot of Democrats will start

Yet he, too, was reluctant to

for a revolution."

are running.

fine what he is against.

"maxis," and six more are planning opening coincides with the latest such prisons. All involve techniques round of federal legislation that will that limit the movement of dangerous seed billions of dollars more in prison prisoners beyond their cells to an hour construction, after a 20-year period in which the nation already quadrupled

For 400 Worst Convicts, a New Prison With a Vengeance

THE AMERICAS / PENAL FUTURISM

A hard-edged solitude is enforced, to contain the risk of social mixing and violence.

its prison and jail population. The prison population has grown to 1.4 million from 350,000 in 1973, with more growth certain under the "three strikes you're ont" laws being enacted on federal and state levels.

"I'm constantly amazed that 'getting tough' is treated as a new idea," Mr. Maner said of the recent dehate over the federal crime bill. "With four times as many people already in prison now, do you know anyone who really feels

مِلْدُ العند لِنْصِل

The new prison here is intended as a learned behavior capsule, with room for 416 inmates to progress back to gradually regains social contact. general population life, cafeteria meals are designed to resist vandalism, with der of a prison officer. the felon's bed, desk, stool and bookcase all made of reinforced concrete maxi approach of manacled manageanchored in place.

steel deeply riveted to the wall to pre-vent the making of shivs and other weapons. Matches and cigarette highers the proven stuff of explosives

ing neglected by politicians in favor of his neighbors. Each cell has a double dramatic lock-up mandates exemplientry door, with the classic barred cage fied by the trend toward maximum door backed up by a windowed steel door that minimizes voice contact among prisoners. Near the end of a three-year tour, a successful inmate

"What puts a man in is his behavior, and group socializing if they cease mis-behaving during three years in maxi-mum security. Cells are larger than industry standards because of the 23-federal anti-crime law had introduced hour days lived within them. But they the death penalty for an inmate's mur-

There was no such penalty when the ment was introduced after the slaying The shaving mirror is of polished of two guards at the high-security fed-

lighters, the proven stuff of explosives ment as Russia, plagued by a post-in other prisons, have been replaced by Communist wave of street crime and a simple hole-in-the-wall apparatus for corruption, rebounded to first. Russia lighting cigarettes. Meals are dis- has 558 people in prison per 100,000 pensed in separate trays through slots. citizens, while the United States has afer?"

The maxi design, with cordons of 519. West European rates range from Correction professionals, he added, cold steel painted in soft green and 60 to 100.

## \* POLITICAL NOTES\*

## Democrats Put On Happy Face, for Now

WASHINGTON — With a solid week of campaigning under their belts and just three more to go before voters cast their ballots. White House officials have shed some of the gloom that hung over their view of the midterm election. "At least," said one White House official, "we've gotten beyond the stage of feeling we had to just hide here and say

nothing. We're back on offense." After seeming uncertain for weeks about what to say to voters in the wake of a disastrous congressional finale. President Bill Clinton now has a theme he is comfortable with --that voters should not allow Republicans to return the country to the economic policies of the 1980s.

At the same time, a week of good news on the foreignpolicy front — the apparent backing down of Saddam Hussein in Iraq, coupled with the return of President Jean-Berrrand Aristide to Haiti - may have boosted Mr. Clinton. But even as his short-term prospects hrighten, Mr. Clin-

ton's aides acknowledge the long-term view is grint.

Mr. Clinton came into office with a clear project in mind to rebuild American faith in government, a faith that had been shattered by the Viernam War, Watergate, social decay in the cities and two decades of slow income growth for

middle-income families. Measured by how well they have met that goal, Clinton aides admit, their administration so far has failed. "We've really lost two years," a White House official said, "We're no closer than when we started."

## Clinton Takes the Middle Road on Judges

WASHINGTON - While running for office two years ago, Bill Clinton promised to reshape the character of the federal courts, reversing the trend to the right under the Reagan and Bush administrations.

But given the opportunity to choose more judges in his first two years than any president in history. Mr. Clinton has made selections that are not expected to change the ideological hue of the bench, although they have won high praise for their diversity and quality.

The large number of judges who won confirmation in the final days of the Senate term brought Mr. Clinton's appointments to a total of 129, of whom almost 60 percent are either women or minorities, compared with 8 percent for President

Ronald Reagan and 27 percent for President Jimmy Carter. Political scientists, legal scholars and noupartisan groups like the American Bar Association who have studied the new judges' records also said Mr. Clinton's choices were better qualified than those of Mr. Reagan or President George Bush.

But, perhaps paradoxically, those observers expected the newcomers would do little to alter the courts. The new judges were deliberately chosen to fit squarely in the judicial mainstream and were, by and large, replacing liberal Democrats, While Mr. Clinton's appointments are not expected to

undo the effects of the Republican years, according to legal experts, the crime legislation the administration pushed through Congress last month is expected to give a tremendous new impetus to a decade-long trend of transforming relatively minor infractions - historically the province of state courts into federal offenses. Justice Department officials said that as a result of the new

law, they expected a significant increase in the prosecution in the federal courts of cases involving teen-agers with handguns and gang violence.

## Quote/Unquote

Dee Dee Myers, the White House press secretary, on polls showing public support for President Clinton is increasing: "The momentum is shifting to us, the Democrats." (AP)

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AH, THOSE FOREIGN AFFAIRS - President Bill Clinton being briefed on the situations in Haiti and Iraq. From left are his chief of staff, Leon E. Panetta; the national security adviser, W. Anthony Lake; the chairman of the Joint Chiefs of Staff, John M. Shalikashvili; Vice President Al Gore; Secretary of State Warren M. Christopher; Madeleine K. Albright, the chief UN delegate, and Deputy Secretary of Defense John M. Deutch.

## Republicans who win as influ-U.S. Watchdog Unit encing the races in which they Mr. Bilbray, a county super visor, asserted that even if the Gets a Bad Audit Republicans did not win the 40 seats they need to take control of the House, their ideology

New York Times Service
WASHINGTON — The

changing their approach to policy-making," he said. But as a campaign tactic, it is the Democrats — eager to shift the political dialogue from attacks on Mr. Clinton -who are trying to keep the contract alive so they can depict Republicans as in lockstep with their leaders in foolishly advocating warmed-over Řeaganomics.

promising to cut taxes, increase military spending and balance the budget, many candidates No one has tried to draw the line more sharply than Mr. Clinton, who has derided the contract in recent days as a return to "failed policies of the past." A new advertising camby the Democratic National Committee stresses the

The shift is particularly apparent in Senate races, where Republican nominees are generally far more conservative than in decades.

Here in Indiana, the 36-yearold Mr. McIntosh went so far as to lump Mr. Bush with Mr. Clinton, asserting that there are similarities between Bush and Clinton" in that the core ideology of each man can be hard to pin down.

• Five people were found shot to death inside a bar, the police

said in Birmingham, Alabama.

The two women and three men

were discovered just before

\$19.95 for one year (10 issues).

By Robert Pear the B-2 bomber and the Seawolf

government's watchdog agency, the General Accounting Office, has strayed from its original fact-finding mission and tarnished its reputation for objectivity by becoming an advocate for policy changes, an indepen- agency's recommendations dent evaluation of the agency

The study, in effect an audit of the government's top auditors, was issued last week by a panel of experts from the National Academy of Public Ad- bias" in its work. ministration, a nonprofit orgaand local levels.

Lawmakers continually cite the accounting office's findings in deciding whether to create, abolish, cut or revise programs. But in recent years, legislators of both parties have expressed concern that the agency sometimes seemed more eager to make policy pronouncements

than simply to provide informa-Republicans in particular have complained that the accounting office has become a tool of Democrats in Congress.

The agency issues reports on many volatile issues, including health care, immigration and trade. It alerted Congress to problems in the savings and loan industry long before most people were aware of them. It has documented problems in dozens of weapons programs like the Bigeye chemical bomb, the last five years.

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The head of the accounting office, Comptroller General Charles A. Bowsher, defended the agency's independence and said, "We always strive to present our findings in a balanced manner." He added that the were never hased on "political or ideological considerations."

The study described the accounting office as an invaluable institution and found "no evidence of deliberate partisan

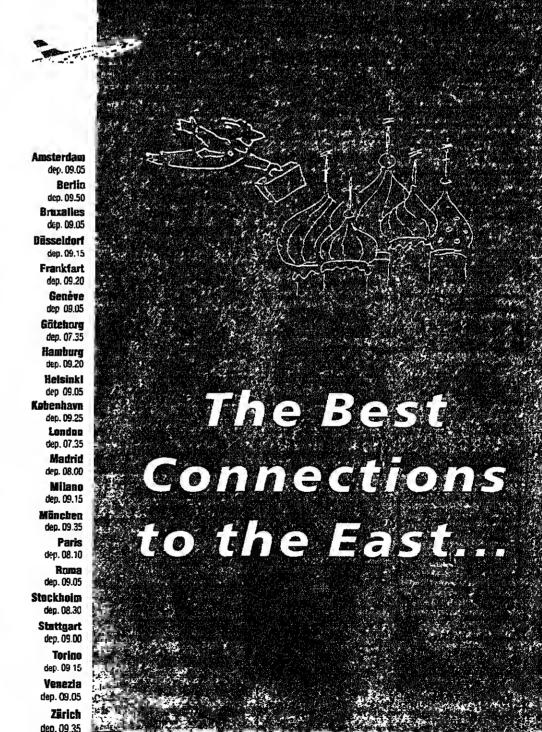
But it said the office "seems nization chartered by Congress to be exceeding its appropriate to increase the effectiveness of role" by venturing into the government at the federal, state analysis and development of public policy. The report found "no evi-

dence that GAO has been steering its research toward satisfying particular policy or partisan interests. But it said the accounting of-

fice "should not risk its reputation for objectivity by moving into policy advocacy. The report recommended

that the agency be more selective about the kind of work it takes on and said Congress should be more careful about the kinds of requests it makes of

the agency.
With 4,581 employees, 26 field offices and a budget of \$443 million this year, the accounting office is busier than ever, It issued 1,115 reports and 4,200 legal rulings last year. It estimates it has saved \$107.6 billion for the government over



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# Hanoi and Beijing Swap Claims Of Violations in Gulf of Tonkin

HANOI — Tension rose abruptly between China and Vietnam on Monday after Hanoi accused Beijing of "system-atic and unacceptable" violations in the Gulf of Tonkin.

Reacting to official protests from Beijing over the disputed, area, the Foreign Ministry also warned that Vietnam reserved its right to "defend its territorial waters" should they come under threat.

it clear to China that Chinese accused Hanoi of "gross violafishing boats have systematically violated oot only our exclu- ty" in the Gulf of Tonkin. sive economic zone, but also our territorial waters," a ministry spokesman said.

The ministry assailed China's of the United Nations Maritime velopment plans in the central

ty of Vietnam's exclusive economic zone and its continental

The criticism came just over a month before President Jiang Zemin is to make the first visit to Vietnam by a Chinese head of state since the two countries agreed to set aside their differences and normalize relations

three years ago. Last week, China filed an official protest with Vietnam, and "Vietnam has already made a Foreign Ministry spokesman tions of its rights and sovereign-

Beijing was angered that Hanoi had sought offers from foreign companies to develop oil deposits in the disputed area. territorial claims in the Gulf of China's anger has been espe-cially roused by Vietnamese de-

Convention and "the sovereignty of Vietnam's exclusive economic zone and its continued in the continued island of Hainan.

In June, Vietnam's National Assembly ratified the 1982 UN Maritime Convention on ocean rights, an accord that Hanoi says legitimizes its claim to sovereignty over areas of the gulf and the "Eastern Sea." known to the Chinese as the South Chi-

The two countries began discussions oo demarcatioo in the Gulf of Tonkin after Prime Minister Li Peng of China visited Vietnam in December 1992, but there has been no resolu-

Since then, the Vietnamese state concern PetroVietnam has been charged with carrying out oil exploration in part of the contested area, in association

# U.S. Talks With Korea Deadlock

GENEVA — Negotiations between the United States and North Korea on Pyoogyang's nuclear program remained deadlocked Monday with no progress reported at a threehour session among technical

A statement from the U.S. diplomatic mission said that no time had been fixed for further

In Beijing, Defense Minister Chi Haotian told Defense Secretary William J. Perry that China would try to use its good offices to end the impasse in the

There is a desire on the part of the Chinese that the Korean Peninsula remain nonnuclear."
a U.S. official said after the meeting, "They do not want to see a North Korea with ouclear weapons."
China is a traditional ally of

Communist North Korea and so could be used to mediate in he dispute.

The talks are aimed at fleshing out an outline accord, reached in August. lo that agreement, Pyongyang offered to open up its ouclear facilities to international inspection and scrap its atomic power pro-gram, which uses old-fashioned technology that can produce bomb-making plutonium. In return, Washington of-

fered low-level diplomatic links and help in providing North Korea with more modern nuclear power plants.

Since then, little progress has been made. Hopes of an imminent break-

through early Saturday were dashed that evening when a meeting ended in acrimooy.

The chief U.S. negotiator, Robert L. Gallucci, had an unscheduled meeting with his North Korean couoterpart, Kang Sok Ju, on Sunday, but to

Machete-wielding vigilantes searching a Port-au-Prince slum for paramilitaries who have brutalized Aristide supporters.

# Singapore Police Question U.S. Scholar on Commentary

SINGAPORE — A Singa-pore-hased American scholar who wrote a newspaper opinion piece criticizing Asian govern-Singapore police on Monday,

the professor said.
The American, Christopher
Lingle, a senior fellow in European studies at the state-run National University of Singapore, said he was questioned for 90 minutes in his office by two Singapore police officers. Singapore Ministry of Home

Affairs and police spokesmen were oot immediately available Professor Lingle, a 46-year-

To subscribe in Germany

vestigators were accompanied by a university official. Professor Lingle said the officers told him that they were conducting an investigation into charges of ments was questioned by the contempt of court and criminal defamation hased oo a commentary he wrote that was published Oct. 7 in the International Herald Tribune.

The article, titled "The Smoke Over Parts of Asia Obscures Some Profound Concerns," disputed an opinion piece by a Singapore Ministry of Foreign Affairs official published in the Herald Tribune on Oct. 1. Professor Lingle's commentary referred to unidenti-fied "intolerant regimes in the region" and made critical com-

The interrogators asked for Professor Lingle's original transcript and also for his research documents, he said. Professor government.

about 100 periodicals — including The Far Eastern Economic Review, The Asian Wall Street Journal and The Economist both from his office and later from his home when the officers

Professor Lingle said he was questioned intensively on whether a reasonable person would conclude that his article had impugned the judiciary and undermined general order in Singapore. He said he agreed to meet the officers again oo Tuesday morning to hand over his original mannscript.

Professor Lingle is 13 months into a two-year contract at the National University. He said press in the last year but that this was the first time he has been directly questioned by the

# Aristide Appeals for Justice as Mobs Roam

PORT-AU-PRINCE, Haiú - President Jean-Bertrand Aristide renewed his appeal Monday for justice and reconciliation, just hours after a mob hurned the home of the mother of the new army commander.

The mob burned the house helonging to the mother of Major General Jean-Claude Duperval after a false rumor circulated late Sunday that General Duperval had tried to assassinate Father Aristide.

At least nine other houses and five stores also were hurned in the city of Gonalves, including a house helonging to the grand-mother of a former junta leader. Lieutenant Colonel Joseph Michel François, and the homes of at least five noocommissioned officers.

U.S. and Haitian security forces arrested more than 100 people in Gonaïves after the violence, a U.S. military official said

challenge Father Aristide faces in bringing Haiti into a new era of democracy. Father Aristide summoned General Duperval to the National Palace on Sunday to discuss how to dismantle the military, including cutting the army roster by 80 per-

As several hundred Haitians waited outside, unfounded rumors spread that the army chief had tried to kill Father Aristide.

When General Duperval left, the crowd yelled and pounded on his car. Some in the crowd, carrying sticks and machetes, shouted: "Give us Duperval! We don't want the army anymore!"

On Sunday, two people were hacked to death as Aristide backers clashed with their former oppressors. At least 3,000 people were killed under repressive military rule after Father Aristide was overthrown in a coup in September 1991.

In the Cité Soleil slum of Port-au-Prince, the Aristide stronghold that had often been targeted by the army, two dozen Aristide supporters went on a machetewielding rampage Sunday against members of the Front for the Advancement and Progress of Haiti. That paramilitary group killed and hrutalized many Aristide sup-

When the vigilantes found one member of the group. Lorrenis François, they bloodied his wife's face and tore her dress The violence illustrated the daunting as she appealed to them to leave her hushand alone.

> A neighbor persuaded them to leave. Less than two hours later, witnesses said, Mr. François came outside and angrily stuck a machete into the first person he saw, a pull-cart driver named Jean, killing

THE IHT/DELTA AIR LINES

François, then burned a Haitian Army helmet and an olive drab uniform they found in his home.

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Father Aristide plans to trim the estimated 7,450-member armed forces to 1,500, although so many soldiers have described that the military's current size is unclear. Some army officers accombanied two coup leaders. Lieutenant General Raoul Cedras and Colonel François, into

Father Aristide left the palmor Monday for the first time since his restoration, briefly visiting the nearby National Musoum on the day commemorating the assassination in 1806 of the Haitim independence leader, Jean-Jacques Dessalines.

As he left the palace, an enthusiastic crowd mobbed his motorcade as it emerged from an exit, forcing it to leave by

Father Aristide met Sunday with Prime Minister Robert Malval, his cabinet and members of the House and Senate to discuss December legislative elections and cooperation between the executive and legislative branches.

The government is moving to identify human rights violators among Haiti's miliaw, a pull-cart driver named Jean, killing tary so they can disarm and fire them, according to Mike Levy, an American aide to Father Aristide. (AP, Reuters, AFP)

## old Atlanta native, said the inments about the judiciary in that he had published about 12 articles in the international

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3) To approve the Balance Sheet and Profit and Loss account for the Imanaial year anded 31st December 1991 and 1992 and the appropria-tion of the net profits.

4) To approve the appaintment of Atag Erest & Young AG, Zurich as audi-tors of the Company for the finan-cial year ending 31st December 1993. To give quitus to the members of the Board of Directors.

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# In West Bank, Approval of the Kidnappers' Goal By Alan Cowell New York Times Service AMARI, Israeli-Occupied West

Bank — When Nachshon Waxman the Israeli soldier killed after being abducted by Islamic militants, was buried, thousands of Israelis poured into the darkness of the Mount Herzl military cemetery at midnight to mourn a man they considered their latest martyr.

A Palestinian mother of four in this refugee camp near the West Bank town of Ramallah saw things in a

different light.

She preferred to focus not so much on the violent outcome — three kid-nappers and another Israeli soldier also died in the rescue attempt last Friday — as the stated goal of the hostage-taking: to force the release of Palestinian prisoners from Israeli jails in return for the soldier's life.

"We have families who have lost their sons, we have families with relatives in prison, we have families who paid the price of occupatio.," said the woman, who identified herself as Oum Ashraf, meaning mother of Ashraf. "So, people can justify that kidnap-

ping," she said. "It was regreated. Their sons are dear to them, and our she said. "It was legitimate. sons are dear to us."

the West Bank echoed her view. None seemed ready to follow Yasser Arafat, the head of the Palestine Liberation Organization, in condemning the kidnapping, which was carried out by members of the militant Islamic group

Their comments seemed to underscore a familiar collision of perceptions here: Actions that appear as atrocities to one side are often interpreted by the other as appropriate moves in a legitimate struggle.

"What do the occupiers expect of us?" said Ghassan Safi, 25, a sociology student at Bir Zeit University, near

The kidnapping ended when Israeli forces stormed a house just north of Jerusalem in the village of Bir Nabalah. The Israeli authorities say the kidnappers killed Nachshon Waxman, who was promoted posthumously from corporal to sergeant.

The episode brought new strains to the settlement between the PLO and Israel, which permits limited self-rule

in the Gaza Strip and Jericho. Israel at first insisted that its soldier was being held in Gaza, not Israeli-

occupied territory. Under pressure from the Israelis, the Palestinian police rounded up hundreds of the Islamic militants in Gaza who oppose the agreement with Israel.

For some Palestinians, this was a new setback to Mr. Arafat's credibil-

"Arafat is in had shape," said ihra-him Saeed, 30, who sells shoes. "He is emharrassed hecause the Israelis made him their tool. He became an instrument, not a decision-maker." The 60-year-old co-owner of a taxi

company in Ramallah said, "The hopes which Arafat gave us as a result of this settlement are going to disap-A woman in this refugee camp who

identified herself as Oum Abed said: "There are limits to everything, and Arafat has reached his limits because the Israelis didn't give h n anything. They didn't give him the opportunity to achieve peace."

At the core of the frustration of many Palestinians hes Israel's refusal to release more of the thousands of prisoners it is holding. That is another reason why many Palestinians were prepared to support the abduction of Corporal Waxman, people said.

"They express their support for this act by Hamas because they look at it from one angle — the angle of the prisoners," said Ahmed Deek, a senior member of Mr. Arafat's Fatah movement in the West Bank.

"Every woman wants to see her son released, and if this isn't resolved the kidnappings will continue," said Oura Abed, who has six sons and four daughters. She said one of her sons had died in the uprising and the other five had all been detained by Israel at one time or another.

But there are other considerations that touch on basic ways of doing business. Where Israeli leaders insist, as Prime Minister Yitzhak Rabin did Friday night, that there can be no hargaining with terrorists, many Pal-estinians felt there was still time to

"Our understanding was that there could be an extension of the ultima-tum," Mr. Deek said.

Ibrahim Barghoutti, a lawyer in Ra-mallah said that "Mr. Rabin made a very big mistake."

"He could have tried a political way," he said, "hut he chose the military way, and it came to a very bad

# Iraq, in Unexpected UN Rebuff, Refuses to Recognize Kuwait

## U.S.-Russian Rift Over Sanctions Deepens

By Julia Preston

UNITED NATIONS, New York — Iraq failed to recognize the sovereignty of Kuwait on Monday in a special Security Council session, rehulfing international expectations, while the United States and Russia clashed over lifting sanctions against Baghdad.

The meeting, which brought some of the sharpest verbal sparring in recent times in the Aziz, the Iraqi deputy prime minister. Baghdad showed that it remains reluctant to renounce its territorial claims to Kuwait, and embarrassed Russia in front of an assembly of world

Also starkly exposed were the differences between Russia, which is seeking an eventual opening toward Iraq, and the United States, whose policy in practice amounts to keeping severe trade sanctions in place as long as President Saddam Hus-

sein is in power. The council is now deeply split over Iraq. France's chief delegate, Jean-Bernard Merimée, seconded Russia's position that the council must move toward sanctions relief if Iraq complies with the letter of UN resolutions requiring it to recognize Kuwait and cooperate

with weapons destruction. During a visit on Monday to Kuwait, Alain Juppe, the French foreign minister, dif-fered with the United States over the meaning of a measure the council adopted unanimously Saturday limiting Iraqi troop deployments near Ku-wait, Mr. Juppé said the United States must return to the United Nations for a new authorization if it intends to use a military strike to enforce the

But Secretary of State War-ren M. Christopher, in New York, insisted that the United

probably not wait." he said. should establish a six-month tion" against Mr. Saddam.

Mr. Aziz limited himself to restating the terms of an agreement that Mr. Kozyrev struck in Baghdad last week. Iraq said it would "positively resolve" the issue of Kuwait's borders, and Russia pledged to campaign for a fixed time limit for the Security Council to lift a global trade sparring in recent times in the council chambers, was called to hear Foreign Minister Andrei V. Kozyrev of Russia and Tarik Aziz, the Iraqi deputy prime raised hopes that Mr. Aziz would use the high-profile formulated by the council of the United Nations to declare Basehold shound that declare Iraq's formal recognition of Kuwait.

> Mr. Aziz said only that the border recognition is "under consideration." Until now, Iraq has referred officially to Kuwait as its 19th province and refused to use the name of Kuwait in any government discourse.

In Baghdad, a special closed session of Parliament, called amid speculation it would ratify a formal recognition of Kuwaii, adjourned with no decision an-

UN measures. "Next time, we'll gued that the Security Council We will take action, strong ac- testing period to see if Iraq continues to cooperate with a UN dismantling its weapons of mass destruction. After that, the council should consider lift-

ing sanctions, he said. Although Mr. Kozyrev met Monday morning in New York with Mr. Christopher, they were not able to close the divide over lraq. Mr. Kozyrev, in his UN speech a few hours later, criucized the United States for a "hasty" and "inadequate and misguided" reaction to his accord with Mr. Saddam.

The chief U.S. delegate to the United Nations, Madeleine K. Albright, replied hluntly that lraq had destroyed its credibility with aggressive troop ma-neuvers earlier this month. She said the United States sees "no more value" in Iraq's promises to Russia than in past pledges it broke.

She called on the council to reject the Russian approach, saying Mr. Saddam should be held to complying with all of UN resolutions for a long time In a speech, Mr. Kozyrev ar- before sanctions can be lifted.

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## PEACE: Accord Is Initialed

Continued from Page 1

flown to Amman after a week dominated in Israel by the ab-duction and killing of an Israeli soldier by militarits from the Islamic movement Hamas.

The episode, which ended with the killing of the Israeli captive, another Israeli soldier and three Hamas guerrillas, seemed to highlight the problems of Israel's agreement with the PLO, many of them stem-ming from Palestinian militants opposed to peace.

The initialing of the draft did not represent the end of negoti-

On Tuesday, officials from the two sides are to begin detailed talks on annexes to the treaty in the Jordanian Red Sea port of Aqaba, Israel radio said the final signing ceremony would take place on Oct. 27 in the border area between Eilat and Aqaba. The agreement has also to be ratified by both parliaments, an act regarded as a

Of the outstanding issues, water was the most far-reach-

According to Jordanian ac-counts, both Israel and Syria Jordan's access to the water of so that, of an annual allotment of 477 million cubic meters a year once urged in Americansponsored proposals, Jordan is currently receiving none from the Jordan River and only 100 to 110 million cubic meters

from the Yarmuk. Israel's reported agreement to divert 50 million cubic meters per year to Jordan, presumably from the Sea of Galilee area, is thus a major economic boost, and a peace dividend, for a country whose underground water supples are rapidly being

exhausted. The agreement did not please

CVCTYODC. Jordan's own Islamic fundamentalists vowed to oppose the accord, saying it was against everything Muslims and Arabs stand for and believe in."

In Israel, Likud opposition officials questioned the haste with which the agreement had been reached. "Always there are concerns, especially when I see the hurry," said former Prime Minister Yitzhak Sha-



APPEAL HEARING - A Kuwaiti lawyer talking Monday to three Iraqis sentenced to death for plotting to kill George Bush. It was the first day of their appeal hearing in Kuwait. The court is looking into the sentences passed by a state
States already had the necessecurity court in June against 9 of the 14 men charged in connection with a plot to kill Mr. Bush during a 1993 visit.

# Pentagon's Two-War Doctrine According to Jordanian accounts, both Israel and Syria have progressively restricted Faces a Challenge of Logistics

By Eric Schmitt

New York Times Service WASHINGTON - America's latest military showdown with Iraq, at a time when U.S. forces are in Haiti, is raising questions about the Pentagon's ability to meet its strategy to win two major wars at nearly the same time.

With about 20,000 troops in Haiti, the U.S. involvement barely ranks as a minor contingency. And the more than 30,000 Americans in or bound for the Gulf now, as well as the 155,000 additional ground troops on alert, are a far cry from the more than 500,000 who fought the 1991 Gulf War.

Executing these two missions at the same time has not strained the military's combat power or logistical support. But fighting major land wars in the Gulf and, as the strategy envisions, on the Korean Peninsula simultaneously would pose seri-

The issue is not whether the

troops of firepower to var two separate foes. Most military experts say it probably has. But critics contend that the Pentagon's main bottleneck centers on a shortage of transport planes and cargo ships to haul tanks, artillery, and equip-ment to two far-flung hattle-

"Logistically, you just can't do it," said Eliot A. Cohen, a professor at the Johns Hopkins School of Advanced International Studies, who was a director of a Pentagon study of air power in the Gulf War.

In testimony before a Senate committee this year, General Joseph P. Hoar, then head of the U.S. Central Command, which is responsible for military operations in the Middle East, said: "Strategic airlift in this country today is broken. I'm not sure it is workable today for one major regional contingency.

Senior Defense Department officials insist that their strate-United States has enough gy is sound, particularly since

made in the aftermath of the

The army, for instance, has stockpiled equipment for a total of two hrigades, or about 5,000 soldiers, in Kuwait and on Diego Garcia in the Indian Ocean. And the navy is huying or converting 19 ships specially designed to load and unload tanks, trucks, and other vehicles

Although the U.S. military has shrunk to 1.6 million troops from 1.8 million since the Gulf War, the arsenal will in some ways be more potent in the near future. The air force and the navy have since 1990 more than doubled the number of attack planes that can drop laser-guided bombs. The intelligence services have also sharpened their

reconnaissance abilities. Nonetheless, some military commanders and critics in Congress voice concern that the declining American military will

# Iran's Caviar Output Drops

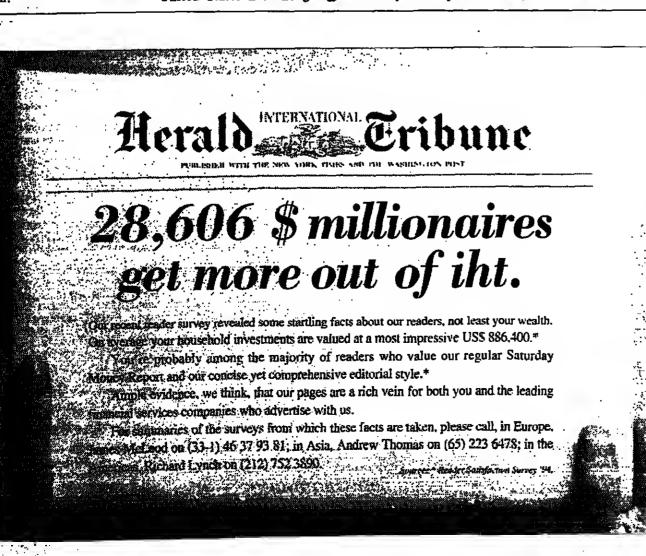
TEHRAN - Iran's caviar production is expected to fall for the third consecutive year hy about 10 percent because poaching and pollution are exhausting fish stocks in the Caspian Sea, a fishing official said Monday.

The official said in the Kayhan newspaper that the production of caviar could fall by another 15 tons this year. Iran produced 130 tons of caviar in 1993, compared with 180 tons in 1992 and 200 tons in 1991.

Experts have blamed pollution and illegal fishing in Iran and the former Soviet republics bordering the Caspian Sea for the depleted stocks of sturgeon from which caviar is derived. They estimate that I million sturgeon are being caught illegal-

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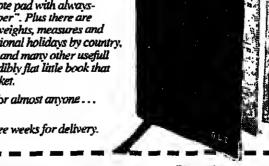
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# Herald Tribune

# Labor Rights in Indonesia

The Clinton administration is having a hard time deciding whether to impose modest trade sanctions against Indonesia for denying workers their basic rights. First it demanded changes by February 1994. Then it let that deadline pass and dropped formal scrutiny of Indonesia's performance for six months. Now it seems ready to delay any action until after President Bill Clinton visits Jakarta next month for the Asia-Pacifie summit meeting. Such protracted delay helps no one. The administration should tell Indonesia now what it still needs to do and set a firm deadline for doing it.

As a low-income developing country, Indonesia is eligible for reduced tariffs on certain products through a program called the General System of Preferences, or GSP. About \$900 million in Indonesian exports entered the United States under this program last year. But by U.S. law, countries benefiting from GSP are required to take steps to accord their citizens internationally recognized labor rights.

In Indonesia's case that means getting the army out of labor disputes and letting workers form independent unions. As the February deadline approached, Indonesia promised Washington it would take meaningful steps in both areas. It has bad eight months to put those promises into effect.

A U.S. investigative team recently visited Indonesia to assess compliance. Its findings are not yet available. Human rights groups report some progress, but they say that the military still interferes in labor matters and the government is still trying to crush the main independent union. Last month, 28 members of Congress urged the Clinton administration to revoke Indonesia's GSP benefits. But the GSP debate is now taking place in a radically changed context. In May, the Clinton administration dropped all human rights conditions on trade with China. As repressive as Indonesia's labor policies are, they are less harsh than Beijing's. In recent weeks, Commerce Secretary Ron Brown has called for expanding trade with China and Indonesia, ignoring buman rights concerns. The message is clear: Washington's human rights talk need not be taken seriously.

ff President Clinton wants to salvage any credibility on rights, be needs to modify that cynical message at once. Withholding trade benefits is an ap-

propriate tool for punishing labor ahuses, which offend human rights and confer unfair trade advantages to the violator. In the case of the General System of Preferences, upbolding labor standards is required by law. But if the administration sincerely believes that trade and development are the hest ways to advance human rights, other forms of pressure are available. These include outspoken diplomacy, votes in the UN Human Rights Commission and restrictions on military training and sales for countries whose armed forces are involved in buman rights ahuse. The latest foreign aid bill specifically instructs U.S. representatives in multilateral development banks like the World Bank to take worker rights into

account when they cast their votes.

Right now, the administration seems at a loss over human rights policy. Renewing the pressure on Indonesia over labor rights could help it find its way again.

- THE NEW YORK TIMES.

# Merely Politics as Usual?

Newt Gingrich, the House Republican whip and would-be speaker if the Republicans win control of that body next month, hlurted out some remarkable statements the other day during a session with lohby-ists on Capitol Hill. They raise a lot of questions about what the House might be like under Mr. Gingrich's leadership.

For example, when he was killing a bill that would have cut off the free golf trips and other lobbyists' gifts to members of Congress, he wrapped himself in the mantle of religious liberty, encouraging talk show hosts to assail the needed legislation on the false ground that it would inhibit the speech rights of religious groups.

But be told the Capitol Hill gathering that Republicants planted to

that Republicans planned to raise money from — you guessed it — lobbyists, by saying that his party had saved them from "Stalinist" and "punitive" measures supported by Democrats. Presumably, it is "Stalinist" to require lobbyists to disclose some of their activities to the voters and to prohibit them from sending their favorite congresspeople on tennis jaunts.

Mr. Gingrich, who talks a good game about the need for "change" and an end to "corruption" on Capitol Hill, seemed to relish the prospect of telling lobbyists that he had preserved their way of life and that of freebie-taking members of Congress.

Or take his statement that his strategy in the campaign was to portray pro-Clinton Democrats as "the enemy of normal Americans." Ann Devroy and Charles Babcock of The Washington Post asked

him about this statement, and be said he should have used the word "threat" in place of "enemy." Either way, where does a politician who wants to exercise substantial power get off deciding who is and

who isn't a "normal" American? Mr. Gingrich argues that the closer Republicans get to control of the House, the more uneasy "Washington" gets over the prospect of having all that power in the hands of the Republican Party. That is certainly true of Democrats in the House, hut something that transcends partisanship is going on here. The closer Mr. Gingrich gets to the top, the more reckless he seems to become. He spoke. for example, of having 20 task forces or subcommittees at work investigating alleged White House corruption, although he later admitted that 20 was "not a serious number." Indeed,

Mr. Gingrieb rose to fame by attacking the House Democrats for abusing power. In a number of those cases, we agreed with him. Most recently, we argued that Democrats have been too eager to restrict the ability of House Republicans to amend bills and broaden the debate. But, as the prospect of Republican control of the House has loomed larger, Mr. Gingrich ing the same old partisanship be used to decry and simply directing it toward his own ends. His comments suggest, for all his rbetorical flourishes, that the last thing he wants is an end to politics as usual.

- THE WASHINGTON POST.

# **Televise the Simpson Trial**

Angry over an inaccurate news report about the O. J. Simpson murder case, Judge Lance Ito has suggested that be may not allow cameras at the trial. The law gives him broad power to forbid or control courtroom cameras, but it would be most unfortunate for justice if he let his anger decide the issue. This celebrated case, however much glitz has attached to it, needs to be televised.

With or without camera coverage of the trial, the Simpson case is plagued by global attention and pretrial publicity that complicates the process of picking an impartial jury. But even the inaccurate and damaging news stories argue for camera coverage, not against.
Nor would denial of camera coverage

have any effect on the behavior of news organizations or their sources outside the courtroom. Indeed, one of the virtues of courtroom photography is the literal ac-curacy of what the pictures and sound portray. Partisans and reporters may shout their interpretations from the courthouse steps, but once the trial is under way the audience will be able to see for itself what is happening.

Even in the pretrial proceedings the public, unable to attend, has learned much that the print medium cannot fully convey - about trial procedures, evidence, the role of a judge, lawyers and their arguments, and how they all interact. Another point: For all the friction among the law-

yers, neither side is seeking the hlackout that Judge Ito is considering. The single video camera itself is unoh trusive. If there are potential jurors anxious to serve for the fame it may bring them, they will not achieve it from trial cameras, for no pictures of the jurors are allowed.

The very factors that raise the question of camera coverage compel the answer that the public must be allowed to witness the trial: the accused is famous and rich, the alleged crime atrocious. Can all parties get justice? The public needs assurance that justice is being done.

Judge Ito points to mail from citizens who have overdosed on O. J. Simpson and want less, not more, television about him. The judge must realize that such sentiment will not satisfy the need for public justice publicly observed, and that a blackout would not stem the torrent of stories.

For all the judge's undoubted power, his understandable rage at some of these circumstances does not authorize him to act out of pique or withdraw court access because of the content of a news report. Banning television is unjust punishment for sloppy news coverage in the past and is no antidote at all to the breathless journalism that will surely come later. The public inevitably will judge the quality of justice in this case. A more satisfying public judgment will result if the public can see and hear what the jury sees and hears.

— THE NEW YORK TIMES.



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# Germany: More of the Old Kohl, Only Even Stodgier

MUNICH — The boring campaign ended in a down-to-the-wire finale,

and the status quo won. Chancellor Helmut Kohl has not only beaten his Social Democratic rival Rudolf Scharping. He is also set to outdo his much admired mentor Konrad Adenauer, the founding father of the Federal Republic. Adenauer ran West Germany for 14 years. If his heir, with 12 years in power already, manages to avoid an un-timely demise, be it of the political or the biological kind, he will be able to pack in up to 16 years - more than Franklin D. Roosevelt and almost as much as the "Iron Chancellor" Otto von Bismarck. who tallied 19 years.

In your average democracy, 12 years should have been enough. It would have been "time for a change," and all that. Hence the really interesting point about this election is not the slender margin of

Mr. Kohl's victory but the fact itself.

Half a year ago, Mr. Scharping looked like a sboo-in. Mr. Kohl and his Christian Democrats looked hopeless, and so did his junior coalition partners, the Free Democrats under Foreign Minister Klaus Kinkel. So hy international standards this was the greatest comehack since Richard Nixon's in 1968. How did Mr. Kohl do it? It was not

really he who turned the tide, but the two usual suspects in democratic poli-iles: the strength of the economy and the weakness of his rival.

By early summer, the husiness cycle pointed up, up, up. It was a real upswing, not the kind of faltering one that failed to push George Bush past Bill Clinton in 1992. Starting in the summer, good news tumbled in almost daily, robbing Mr. Scharping of a sure-win issue hy the fall. As growth, export and investment figures beaded north, so did Mr. Kohl's popularity ratings. In the end, he had put 14 points between himself and Mr. Scharping.

The second usual suspect was the Social Democratic contender: young, inex-perienced, a hit clumsy under the klieg lights, and not firmly in control of his

party, whose beart beat farther left than Mr. Scharping's. Also, be had a "Hillary problem." No. Also, be had a "rimary problem. No. not his real-life wife hut his partner in political marriage, the Greens, who returned to the Bundestag with 7.3 percent of the vote. With their anti-NATO, propacifist posture and radical economic agenda — for example, 5 marks (\$3.3 dollars) for a liter of gas — the Greens were just a bit too much for your average

By Josef Joffe

German burgher who likes his car and his cozy place in the Western alliance.

So Mr. Scharping won a few points. hut not enough to unseat Mr. Kohl, who will now have to make do with a slender majority. That is good news for the rest of the world, which must have breathed a sigh of relief from Washington via Brussels to Branslava

Mr. Kohl is a dved-in-the-wool Europeanist, perhaps the last in a long succession from Konrad Adenauer to Helmut Schmidt. He is also a good Atlanticist, always careful to give unto Paris without taking from Washington. He stands (more or less) for free trade, and wants (more or less) to open the West's doors to the East Europeans. And he is not gripped by obsessive angst when it comes to fielding the army for a peace mission here or there.

The only true surprise in this election was the astounding score of the PDS, the successor of the East German Communists who presided over the Prusso-Marxist enterprise known as the GDR. The "Party of Democratic Socialism" will field 30 stalwarts in the new Bundes-

will mainly embarrass the center left, the Social Democrats and the Greens. The PDS represents the revolt of the dispossessed nomenklatura and the resentment of reunification's losers. But Eastern Germany is forging ahead at an 8 percent growth rate, and so it is likely to

tag. But with their deep-red rhetorie they

general election, in 1998 at the latest. The problem lies elsewhere. Not only must Mr. Kohl govern with no votes to spare; in effect he must rule with the consent of a grand coalition. Germany being a federal construction, there is besides the Bundestag a kind of Senate rep-

be swan song time for the PDS in the next

resenting the states. There, in the Bundesrat, Social Democrats will have a blocking

majority for all essential legislation.
The coming years will see a lot of action in the Conference Committee, functioning like a two-party cartel, Mr. Scharping will be co-chancellor, and that means at best compromise liber alles, at worst stalemate and immobility. So much for the German leadership that the rest of Europe regards with both desire and dread.

There will not be much cause for either of those emotions, not with the kind of Germany emerging from Sunday's elec-tions. Germany will be what Germany was: sluggish, centrist, more modest than its clout might suggest. And that is not bad in a world that does not exactly suffer from a surfeit of political stability.

The writer, foreign and editorial page editor of Süddeutsche Zeitung, contributed this comment to the Herald Tribune.

# More Voice for the East, and Surprises Ahead

BERLIN — Helmut Kohl has emerged as the winner of the German elecrions, but his government already has the

look of a lame duck. Normally, a 10-vote majority in the Bundestag would be enough. Not this time. Mr. Kohl has to work with a junior partner that was left half-dead by the elections Sunday. The Free Democrats managed to return to Parliament, with 6.9 percent of the vote, but there were strong warning signals. In three Lander elections Sunday, they remained under the 5 percent barrier. If this trend continues, as it seems certain to do, the coalition won't survive more than two years.

Rudolf Scharping, leader of the opposition Social Democratic Party, therefore can expect an invitation to form a "grand coalition" with the Christian Democrats -possibly with a successor to Mr. Kohl.

Wolfgang Schäuhle is a strong prospect. Only hy riding the chancellor's coattails were the Christian Democrats able to get 41.5 percent of the vote -not bad. hut too little to assure smooth sailing.

The big surprise for Western Germans was the showing of the Party of Democratic Socialism, successor party to the old Communist Party of East Germany, which won directly in four districts. This entitles them to enter Parliament with 30 seats. The PDS now appears sure to be a

By Jochen Thies

permanent factor in German politics. This points to a leftward shift for Germany's political majority in years ahead.

The third partner in this game, along with the Social Democrats, will be the

Greens, who staged a nationwide political comeback by obtaining 7.3 percent. If Mr. Kohl manages to form a coalition government with the Free Democrats, his room for maneuver will not be great in domestie or foreign affairs.

The government will depend largely on the Social Democrarie Party, which has a strong majority in the upper chamber of Parliament, the Bundesrat. The Social Democrats' approval will be needed for passage of most laws.

It is certainly possible that Mr. Kohl will try to create more political space by giving Germany a stronger profile abroad moving to strengthen the Maastricht process in Europe and to contribute more strongly to UN peace missions.

In some ways, Sunday brought the end of the political system of the old Federal Republic of Germany, Although the po-litical swing was not radical, we are witnessing the coming together of two quite different societies.

The East German element in the new

sent the 20 percent of the Germans living in the East. The East has, for the first time, shown the will, and the power, to play a role in the country.

political system became clear for the first

time. The PDS will in many ways repre-

Three people had reason to be content, to varying degrees, with the results Sunday: Chancellor Kohl, whose political pull made possible a narrow victory for his party; Klaus Kinkel, who, instead of digging a grave for his Free Democrats 'saved them, at least for now; and, of course, Rudolf Scharping.

Like Helmut Kohl in the 1970s, Mr. Scharping, who is 46, now comes to Bonn to lead the opposition in the Bundestag. His first aim will be to fend off his rivals in the SPD troika, Oskar Lafontaine and Gerhard Schroeder.

Mr. Kohl, for his part, knows that he has achieved everything a politician can dream of. He is the chancellor of German unity. And he believes in Europe and in a trans-Atlantic relationship with America. He has remarkable freedom to stay or to step down from office. Those who know him realize that Mr. Kohl, and no one else, will decide when he goes. It is certain to be a moment of general surprise.

The writer, foreign editor of Die Welt, contributed this to the Herald Tribune.

# Oil Revenue: 20 Million Iraqis Are Trapped Between the Battle Lines

NICOSIA — Who really bene-fits if Iraq and its suffering people are made to continue paying the costs of the emhargo on oil exports, and if a threat of U.S. military action is left hanging over their already badly damaged

oil industry? The embargo that followed Saddam Hussein's insane invasion of Kuwait created a huge bonanza for Saudi Arabia, Kuwait and big oil in general, as Fadhil Chalaby, executive director of the London-hased Center for Global Energy Studies, noted in a clairvoyant lecture in July.

The embargo forbids Iraq to export more than a small amount of oil (Jordan gets some legally; more leaks out through Turkey and Iran on trucks or barges plying the Gulf, where traders huy it surreptitiously at Dubai).
The chief benefactors of the

embargo have been the Saudis. Before the 1990 war, Saudi Arabia made shrewd investments to increase its production capacity, as it has done at opportune moments before. This enabled it to replace more than 75 percent of

By John K. Cooley the embargoed Iraqi oil sales. OPEC raised the Saudi export

quota from 5.4 million harrels per day to 8.4 million, settling finally at around 8 million, for a 50 percent gain.

Mr. Chalaby calculates a cumulative gain for Saudi Arabia, as a result of the Iraqi embargo. of \$72 billion (its average yearly income from 1990 to 1993 was \$44 billion). Yet, Saudi Arabia has been experiencing serious financial difficulties. So the Saudis, as well as the Kuwaitis and other Gulf emirates, are desperately anxious to keep Iraq's oil exports

off the market as long as possible. Starting before the Iraqi embargo, the Saudi kingdom steadily drew down its external financial assets. It then turned to heavy borrowing from banks and financial institutions to finance growing budget deficits. So Saudi Arabia sees an early return of Iraqi oil to the world market as a threat not only to its finances but to its national security.

The same is true, though to a

lesser extent, of Kuwait, Iran and Venezuela, oil experts say. All three benefited from the embargo hy raising their market shares, at Iraq's expense.

Mr. Chalaby's London think tank puts cumulative Iraqi losses of oil income since Saddam's occupation of Kuwait in 1990 at \$70 billion or more — the value of prevailing market price. In 1980, before its war with

Iran, Iraq was producing nearly 4 million barrels per day. Then, with large-scale destruction of its export terminals, closing of export pipelines and damage to other installations, Iraqi output dropped to 1 million barrels. Its production level had climbed back to 3.5 million just before the disastrous Kuwait adventure. The shutdown that came with the em-bargo in 1991 has not only cut output; it has trimmed lraq's capacity to make a comeback.

Saddam Hussein and those still loyal to him must have felt the

ney, the former U.S. defense secretary, remarked almost casually on U.S. television recently that Iraq's oil installations could be

easily hit again.
The world's higgest oil companies and some governments have been gambling against an Ameri-can air and missile strike that could paralyze fraq's oil-depen-dent economy for years. Hoping for an end to the embargo, French, ican oilmen beat a path to the Oil Ministry in Baghdad, seeking

new concessions. A detailed report by the Middle East Economic Survey, an authoritative Cyprus-based journal, outlined deals concluded in early September between Baghdad and Moscow that ensure a leading role for Russia in Iraq's oil industry, whenever that industry gets back on its feet. A long-term agreement is worth about \$10 billion.

Projects include development of Iraq's giant West Qurnah oil field, construction of a power station at Yusufiyah and the laying of a 350-kilometer (210-mile) gas hreath of doom when Dick Che- pipeline between Nasiriyah in

Iraq's south and Baghdad. At Iraq's request, there will also be new oil export and storage facilities, an upgrading of war-bat-tered refineries, and construction of an iron and steel plant. If Russian engineers are not frightened off by the prospect of U.S. bombs, they are ready to be-

gin inspecting and assessing wardamaged oil projects. Iraq, meantime, will continue ressing its traditional customers - American, French, ftalian,

Japanese - to help it lobby the United Nations Security Council to lift the embargo. Decision-makers in the Middle East should ponder who would profit from a new conflict, fought certainly in part over oil interests. Is a strike against an obnoxious

dictator worth further injury to a

society of 20 million people, even if it ensures short-term bonanzas

for that dictator's foes? The writer, an ABC News correspondent and author based in Cyprus, specializes in Middle Eastern affairs. He contributed this comment to the Herald Tribune.

# South China Sea: Washington Needs to Hear About Beijing's Claims

WASHINGTON — U.S. Defense Secretary William By Philip Bowring 1982 UN Law of the Sea conven-

Perry, now in China, should have one question at the top of his Beijing agenda: What are China's claims regarding the South China Sea? Cozy belief hy the United States and some Asian neighbors that "engagement" with China will, by definition, enhance regional security sounds nice, but it is a notion based partly on a

yawning information gap.
In the emerging world order, the South China Sea is becoming as strategically important as the Mediterranean. Yet no one, and that includes the U.S. government, knows the full nature and extent of China's claims.

Whatever its ultimate objectives, China's imprecision on this matter has kept America on the sidelines and deflected the possibility of a common stand by other states against China's more extreme claims. It has also obfuscated the relationship hetween its claim to the tiny islets and reefs known as the Spratlys, its elaims to oil under the sea floor and its claims to the sea itself.

Take the most fundamental issue. China long ago issued a map outlining its claim to the sea as "historic waters." A U-shaped area delineated by a dotted line gives it the whole sea up to a line ranging roughly 15 to 200 nautical miles from the coasts of the others.

Yet the United States "doesn't believe a claim has been made." That, at least, was the answer of one official expert when asked why the United States has not included China's apparent claims in its extensive catalogue of "extreme" maritime claims.

But China has yet to define what it means by historie waters," which has no basis in the

tion, signed by Beijing.
According to one Chinese authority, Pan Shiying, speaking at a recent South China Sea conference in Washington, China does not regard the sea as "internal waters." But what does it claim within that famous line?

The issue is crucial. While other nations claim some of the tiny islands and use them as haselines for claims to territorial waters and seahed. China has this additional "historic" claim to the waters at large.

China has spelled out its land and territorial water claims. Its national law on the subject goes beyond what is permissible under the Law of the Sea, claiming the right to control passage of warships through its territorial sea and contiguous waters.

At least the land elaims can be addressed in the same terms as used by other countries. Their application, if not sovereignty itself, can be subjected to the Law of the Sea. But the maritime claim is of a different order.

This question could involve yet another country finding itself in conflict with China - Indonesia. Indonesia has no claims to the Spratlys, but the area delineated by the Chinese line includes the buge gas field discovered by Exxon off Indonesia's Natura Islands. This is one of the largest bydrocarbon finds so far in the South China Sea. ft will cost \$20 billion to develop.

According to Pan Shiying, the line, roughly equidistant between China's Spratty claims and the coasts of the other nations, could be regarded with "a certain flexi-bility." However, the lack of clarity leaves open the possibility that China will at some point seek to make a claim on Indonesian as well as Malaysian, Philippine and Vietnamese exploitation of oil and gas within the line.

China awarded oil rights in a

large block that lies off sonthern Vietnam and near Malaysian waters to Crestone, a U.S. company, on the basis of proximity to one Spratly island. But it has criticized Vietnamese

exploitation of a field that lies much closer to Vietnam than to any Spratly, but which is within the Chinese line boundary. The United States, for its part, lacks a policy other than to say

that it does not take sides in dis-

putes over sovereignty. It is thus impossible to determine China's long-term intent. Is it to maneuver for position before agreeing to a partition of the sea, linked to joint development of resources? Or is it to play for time, discouraging others, particularly Vietnam, from exploiting

oil off their coasts, while building

up its naval forces and watching

the U.S. presence decline? Through the ASEAN Regional Forum, the countries of the Association of South East Asian Nations have focused attention on the issue. But ASEAN is divided on what to do. Thailand has little direct interest. Some other members do not want to give the impression of ganging up on China, which insists on dealing with the

issues bilaterally. Malaysia is trying to engage China in dialogue rather than take a common stand with Vietnam and the Philippines (althe group, as it wants to do. Amid all this confusion, Amer-

ica's friends in the region are unclear what role they want the United States to play. They want a continued U.S. presence, to pre-vent anyone else from establishing hegemony and to deter adventurism. Yet they are equivocal about a direct U.S. role, either because they doubt America's commitment, fear Chinese wrath or harbor resentment against out-

side powers enforcing local law. Thus, if the U.S. 7th Fleet intends to stay in the South China Sea into the next century, the

of a joint ASEAN stand might be strengthened if Vietnam joined United States needs clearer objec-tives. But first the United States tives. But first the United States will need to press Beijing to clarify its claims. Washington cannot ignore the question. In addition to U.S. commitments to ensure freedom of navigation in the re-gion — in possible conflict with apparent Chinese policies - serious problems could arise from U.S. oil companies drilling in dis-

puted waters. Unless the United States is prepared to ask hard questions about Chinese claims, it cannot answer the central question: What role, if any, does the 7th Fleet have in the

South China Sea? International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Socialists Unite PARIS - [The Herald says in an

editorial:] The Socialist character of the latest Belgian elections has been made clear. The French Socialist Deputies have at once gone to Belgium to place themselves at the disposal of their Belgian confreres, and the French, Belgian, German, Austrian and Italian Socialist Deputies intend to create a sort of international parliament. They will bring in the same bills in every country, and they hope thus to prove to the world that the demands of the working classes are the same everywhere. People had some suspicion of this already.

1919: Autos and Fashion

PARIS - Observers of fashion passed an interesting afternoon yesterday [Oct. 17] at the Fifthough it is increasing military teenth Automobile Salon, A man-contacts with those two). Chances nequin from one of the rue de la

Paix shops gave the whole secret away in the course of a visit to some of the stands. "Are you looking for a particular make of car, Madame?" inquired a solici-tous salesman, "Thank you, I'm not thinking of makes or of cars either," came the reply. "I'm studying the tints of the cush-ions. I've been sent bere to find what colors are to prevail in gowns this winter."

1944: More War Funds WASHINGTON - [From our

New York edition: President Roosevelt appealed tonight [Oct. [7] for greater-than-ever contributions to community war funds as a token of "democracy at its best" to show there is no let-down in national unity. He said that on the day of the fighting men's return home they will shake war fund donors by the hand and say "Thanks for helping, friend."

LETTERS TO THE EDITOR

tion whatsoever on my part that could in any sense be construed as

justification for Baghdad's recent

initiatives. To the contrary, I have

continuously condemned the move-

But words are not always enough.

ic support to the need for military

involvement by my country in the

the crisis worsened.

## O P I N I O N

# There's Just One Way Ahead the share the state of the stat For Israel and Palestinians

By Anthony Lewis

deeply involved," an Israeli friend said. "People felt that something

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Schroede:

happened in their own family."

She was talking about the kidnapping of an Israeli soldier, Corporal Nachshon Waxman, by Hamas terrorists - and his murder by them as an Israeli force unsuccessfully stormed the West Bank house where he was being held. All of Israel had seen the videotape made by Hamas, with the young man pleading for his life, and all mourned his death.

The trauma of the kidnapping raised hard questions for the future of the effort to construct an Israeli-

Hamas is pressing hard, but Arafat has no alternative to pursuing peace with Israel.

Palestinian peace. Despite the emotions in Israel, the problems are far harder on the Palestinian side.

Prime Minister Yitzhak Rabin handled the tensions of the kidnapping with extraordinary political skill. He made mistakes, but understandable ones that should not be second-guessed. Most significantly, he acted in a way that left the peace process intact in terms of Israeli politics and public opinion.

Hamas smuggled the Waxman videotape into Gaza and gave it to the press there. Mr. Rabin therefore reached the wrong conclusion that Corporal Waxman was being held somewhere in the Gaza Strip. He insisted that Yasser Arafat, who has authority in Gaza under the first phase of the peace process, was responsible for finding the prisoner.

In the turmoil of those few days hardly anyone noticed what Mr. Rabin did not do. He did not send the Israeli army back into Gaza in force to search for Corporal Waxman. In putting the responsibility on Mr. Arafat, he effectively confirmed Palestinian authority in Gaza.

The episode, and Mr. Rabin's handling of it, had another, psycho-logical effect. It reinforced the shift in Israeli thinking about the PLO that began when Mr. Rabin shook Mr. Arafat's hand at the White House a year ago: the shift toward seeing the PLO as the best hope of peace with the Palestinians, with Hamas as the enemy.

Mr. Arafat acted in a way that furthered that shift in Israeli opin-ion. He did not bristle at Mr. Ra-

BOSTON — "I don't remember bin's rough (and, as it turned out, misplaced) demand to find the prisoner in Gaza. He arrested 200 Hamas members and tried to help in an abortive attempt to negotiate with Hamas political leaders.

But those very gestures show wby the kidnapping left worse political problems for Mr. Arafat. For what he did led to his being reviled by Hamas as a tool of Israel.

In Palestinian political terms, in fact, Hamas won. Its supporters marched in Gaza demanding that Mr. Arafat release those arrested, In the still occupied sections of the West Bank, too, some felt that Hamas gained support.

Israel is pressing Mr. Arafat to suppress Hamas and disarm its military members, who still drive around Gaza waving guns. The demand echoes what happened in Israel soon after the birth of the state in 1958, when David Ben-Gurion's government seized weapons from a ship, the Altalena, that was hringing them to the Irgun movement - and thereby made clear that there could

be no private army inside Israel. But Mr. Arafat's Palestinian Authority is far weaker than the Ben-Gurion government was. It is not clear that he has the power to disarm Hamas, much less to make the movement illegal. "One shouldn't envy Yasser Arafat," an Israeli said. "It's not a job you would want."

It is worse because Mr. Arafat's headquarters is in Gaza, a Hamas stronghold. To rebuild that desperately impoverished place and there-by gain political legitimacy, he needs the promised aid from outside. That requires cooperation from Israel, which demands sup-pression of Hamas. But if he moves in that direction, he loses legitimacy with many Palestinians.

France and the Gulf

his own country.

ness and the nature of evil.

ogy and literature to try to illu-

minate John Wade's problems

and he also speculates freely

about what may or may not have

Gradually, a portrait of Wade emerges. We're told that

Wade was a fat, unhappy boy,

haunted by the suicide of his

alcoholie father. We're told that

he became an amateur magi-

cian, and that magie not only

gave him the illusion of control

but also endowed him with a

the nickname "Sorcerer" while

serving in Vietnam and that he

seemed to work magic tricks in

his subsequent career as a poli-

tician, charming voters while nimbly sidestepping questions

We're told that Wade earned

desire to manipulate reality.

happened in his life.

ar Age."

Regarding "Now Follow Up With a Drive to Bring Down Saddam" (Opinion, Oct. 17):

In his article, Mr. Hoagland as-

serts that I accused the Americans of

wrong by moving troops around in

I never accused the United States.

a friendly country with which I have

always had a relationship of trust, of

any sort of manipulation. In re-

sponse to a question, I merely noted

that in the United States, as in any

other democracy, domestie and for-

eign politics are interdependent.

This was a simple, commonsense

observation that applies just as well

l do not contest Mr. Hoagland's

right to suspect dark ulterior mo-

Let us stick to the facts.

"It's almost a no-win situation for him." Yaron Ezrahi, an Israeli political theorist now in the United States, said. "The best we can expect

is wavering progress."
But then Mr. Ezrahi added a comment that other Israelis made when I asked about the effects of the kidnapping: "I am convinced that the peace process will not be stopped." Perhaps there is an element of wishful thinking in that conclusion. But with all the setbacks - the

Hebron massacre by an Israeli extremist, Palestinian terror - it remains a fact that there is no way to security and a normal life for either Israelis or Palestinians but

peace between them. The New York Times



# Hurt and Heathenish in Germany

BERLIN — The Herr Professor Doktor looked at me as though I had just demanded the keys to the hospital pharmacy. 1 had simply

asked to go home.
"Why do you want to leave?" he asked in German. "You've suffered a serious injury. It's my opinion that you are not ready to be discharged

## MEANWHILE

yet." He gestured at the toes-to-hip cast encasing my right leg, the con-sequence of surgery to repair the Achilles' tendon I'd snapped in a

Saturday morning soccer game.
"My experience," the Herr Professor Doktor said, "is that parients with injuries like this should remain in the hospital for 12 days. You've only

been here four days."

He metbodically revisited bis
treatment plan: 12 days in a hospital bed, then a walking cast for the hip for two weeks, then another cast, for the knee for another two weeks, then physical therapy. Any attempt to short-cut this process could be catastrophic, he warned.

I marshaled my rebuttal. I knew it would he an uphill hattle on several counts. First, no one ever confuses me with Goethe when I speak German. And second, I was arguing as layman to physician. Moreover, 1 was arguing in contradiction of one of the most revered figures in German society, the Herr Professor Doktor. In a culture that yields easily to authority, the medical chief of a

tives, which, however, I never had. Gulf alongside the United States, at But I defy him to cite any declara- a time when this attitude was hardly widespread. I am therefore most

sensitive to any deformation of my positions — which have not changed, and which continue to be marked by solidarity with our allies. FRANÇOIS LEOTARD.

Defense Minister of France,

## Thus, in my capacity as defense More of This for Bosnia minister and acting in pursuance of

Regarding "Following the Europe-ans to Dishonor" (Opinion, Sept. 30) the policy decided on by the entire French executive, I sent a frigate to by William Safire: waters off the emirate, which was

later joined by a second such vessel; Calling a spade a spade is what moreover, I placed on alert those this piece is all about. The internamilitary forces that might have been tional community needs more of the same, and not the shamelessly needed to come to Kuwait's aid had disguised rhetoric of Lieutenant On a personal level, allow me to General Sir Miehael Rose, Lord point out that when I was in the Owen and the so-called contact opposition, I gave my most energet- group on Bosnia.

P. DESMOND. Zurieh.

## By Rick Atkinson

the demigod scale.

the head of orthopedic surgery at to be avoiding my eyes, as if the Oskar-Helene-Heim Hospital, but also a professor of medicine at Berlin's Free University. Tall, direct and — as my first hospital roommate had put it — "a bit authoritar-"

Were I a German, chances are I ian" - he was also competent, diligent and good-humored.

Finally, my petition for early discharge was very un-German. When Germans [all il] — or even think they might — there is none of this lash-me-to-the-mast fortitude. They head for bed. The average hospital stay in Germany is 17 days, compared with 9 days in the United States. The typical leave annually, vs. 7 days for the average American; Germans on average visit the doctor 11 times a year.

Nevertheless, I pleaded my case. I was feeling fine. At home I would be able to work more easily — in bed with my leg propped up, of course

- without the many distractions in a husy hospital. My doctor-wife would be there to help care for me; she was no Frau Professor Doktor of orthopedics, absolutely not, but she knew medicine and could play the enforcer to keep me immobile

"I promise I'll stay in bed," I assured the doctor. "I can ... " He cut me short. "Everyone promises to stay in bed," be said. "My experience is they have good intentions but then there's a book they need or something that has to be done, and soon they're moving around."

He was edging toward the door, trailed hy the clutch of interns and nurses accompanying him on his Wednesday morning rounds. The hattle seemed lost.

"There's one more thing," I added. taking a last shot. "This is expensive. It's costing me money." Dr. Weber wheeled back toward

me. "How's that?" "Because I'm an American in-

sured through my company, I have to pay part of the bill for room and treatment."

This hospital room alone was more than 400 Deutsche marks a day (\$260) and I figured a 12-day stay would cost me more than \$600 out-of-pocket, exclusive of treatment charges. In truth, as usual, I wasn't altogether certain how much my insurance would cover.

The doctor's countenance changed completely. He gazed upon me like a missionary who realizes that the soul of the heathen before him is forever benighted - and perhaps not worth saving anyway.
"Well, this is altogether a different

matter," he said. "O.K., we'll arrange for you to go home tomorrow."

The American health care sysmajor hospital rates pretty high on tem is different from the German," I said, trying not to sound too defen-Dr. Ulrich Weber was not only sive. The interns and nurses seemed

would never see a hospital bill. Most Germans are covered by "sickness funds," to which they contribute through payroll deductions. The average contribution — evenly divided between employee and employer is 13.4 percent of gross salary.

In return, Germans get access to one of the most sophisticated medical systems in the world, with elabo-German worker takes 19 days of sick rate benefits and the freedom to choose their doctors. Virtually ev-

eryone is covered.

The German system has draw-backs, to be sure. Doctors are paid on a fee-for-service basis, so there is an incentive to overtreat. Patients have little reason to economize or moderate their use of the system. Like the United States, Germany is struggling

to contain spiraling costs.

But for a German, good medical treatment without fretting over costs is a birthright.

Before Dr. Weber turned again

for the door, be noted that American reformers have periodically studied the German system as a possible model, "We certainly have problems with our system," he added, "but my estimation is that on the whole it serves the patients very well."

He wrote my discharge order. 1 had won, but victory felt a bit hollow -not because I regretted avoiding a dozen days in an orthopedic ward, but because in this minor moment of cultural comparison it was

difficult not to feel like a runner-up. What upset me, as an American, was the tacit acknowledgment of my country's collective failure to solve the perplexing structural problems in our health care system. It's rare in Berlin — a city grateful for being brought back from the dead by the United States - to feel less than 10 feet tall as an American. But I couldn't help feeling slightly diminished by this episode.

Maybe it's just the cast. The Washington Post.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signasure, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts,

**BOOKS** 

WHAT THEY'RE READING

IN THE LAKE OF THE WOODS

By Tim O'Brien. 306 pages. \$21.95. Houghton Mifflin/Seymour Lawrence.

Reviewed by Michiko Kakutani

T N summary, Tim O'Brien's new novel, "In the Lake of the Woods," sounds like a fastpaced thriller, the sort of book that might easily be made into a movie starring, say, Harrison Ford and Michelle Pfeiffer.

The story, on the surface, is simple: John Wade, a rising political star, decides to run for the Senate; in the course of the campaign, serious allegations are made about Wade's past, and he loses in a landslide; several days

 Anouk Aimée, the actress is reading "Where the Jackals Howl" by Amos Oz. "This is a collection of short stories in which the lives of indi-

vidual Israelis are set against the background of community life in a kibbutz. I can tell after reading two pages that it's his work. In the same way I can tell whether Fellini. Visconti or Renoir has directed a film I am watching," (Margaret Kemp, IHT)

later, he and his beautiful wife, Kathy, take a vacation in the remote Minnesota back country; after an argument, Kathy disap-

pears and when an extensive search fails to turn up her body, the police begin to focus their suspicions on Wade.

## CHESS

By Robert Byrne ATELY such closed, posi-Sicilian Defense as the Rossohimo with 3 Bb5 have gained in popularity, but in this game the play devolved into sharp tactics. After 3...g6, it was quite dogmatic for Vasili Ivanehuk to saddle Vishwanathan Anand with doubled pawns hy 4 Bc6 dc because, though cumbersome,

they could not be attacked. After 10 O-O-O, Anand could have taken the tame course, 10...Qd7, followed hy 11...O-O-O, but he had nothing against heightening the struggle with 10...Ne7 11 Bh6 O-O.

Anand brought his knight into a beautiful fighting position with 16...Nd4 and mobi-



Position after 28 . . . gf

lized for attack with 17...h5 and 18. Qa5. When he rammed through 19...c4 20 Rf2 b4 21 Ne2 c3, Ivanchuk offered his queen with 22 Nd4!7, judging that the rook, knight and pawn that he would get for it after 22...cd 23 Ne6 Kg8 24 Nf8 Rf8

would give him good value in

Anand, perhaps thinking that the battle of the two mating attacks favored him, turned down the small gift in favor of 22...ed 23 Qcl Qc5, intending to hlast open the a8-al file. But Ivanchuk quickly made sure of open lines against the hlack king with 24 f5! Bg8 25 g5! After 25...a5 26 Rel!, Anand

could not press on with 26...a4 because 27 gf Rf6 28 e5! Rf5 29 because 27 gf Rf6 28 e5! Rf5 29 Rf5 gf 30 Qg5 Kf8 31 Rf1! yields White too strong an at-tack. Thus, 31...Ra7 32 Rf5 Rf7 33 Nf4! Rf5 (33...Qe7 34 Qh6 Ke8 35 Qc6 Qd7 36 Qa8 Qd8 37 Qd8 Kd8 38 Rf7 Bf7 39 ba Kc7 40 a5 Kb7 41 e6 Be8 42 Nd5 Bc8 43 Ne8 is a hopeless end-game for Black) 34 Qf5 Ke8 35 Oc8 Kf7 36 Qd7 Kf8 37 Qd8 Kf7 (37...Kg7? 38 Qf6 mate) 38 e6 Kg7 39 e7 Bf7 40 e8/Q Be8

41 Ne6 is decisive. Anand defended by 26...fg 27 Qe5 Kh8, but after 28 Nf4!, the rickety black king position fell apart. On 28...gf, Ivanchuk played 29 Qh6! to threaten 30 Ng6 mate, and after 29...Bf7 30 Qf6, Anand saw 30...Kg8 31 Rg1 Bg6 32 Rg6! hg 33 Qg6 Kh8 34 Qh6 Kg8 35 Rg2 Kf7 36 Qe6 mate and gave up.

SICILIAN DEFENSE

in a Minnesota Senate race, who reveals that Wade was involved in the My Lai massacre in Vietnam. It is a revelation that destroys Wade's chances of election. It is also a revelation that shatters Wade's carefully constructed sense of self. Having spent years trying to erase all evidence of his com-

plicity, having spent decades denying his involvement in the massacre to himself, Wade is suddenly confronted with the truth of what be did hack in 1968. In doing so, he is forced to As related by O'Brien, howgrapple with what he is capable ever, there is nothing simple or

That past, however, is abrupt-

ly exposed by Wade's opponent

using the Gulf crisis for political ments of Iraqi troops, calling them a ends, and he maintains that I said threat to the security of Kuwait and that Saddam Hussein did nothing of peace in the Gulf.

of and who he really is. straightforward about this sto-Kathy, too, finds the My Lai Rather, he tries to turn this revelations devastating, for she thrillerlike premise into a philorealizes that she does not know sophical mystery, a Conradian the man she has been married to journey into the heart of darkfor so many years.

When it comes to describing The results are a mixed lot. At times, "Lake of the Woods" John Wade's descent into actual madness, O'Brien stumbles badglows with the fierce, radiant ly, making his hero utter inan-ities like "Kill Jesus" over and magic of O'Brien's remarkable Vietnam fiction, "Going After Cacciato" (1978) and "The over again. The daily texture of his life is also poorly evoked: Things They Carried" (1990); The reader never for a moment more often, it devolves into a believes that Wade has actually painful collection of portentous participated in poblics, much less made a run for the Senate.

clichés reminiscent of his lugu-brious 1985 novel, "The Nucle-To make matters worse. O'Brien's narrative pyrotechnics Like "The Things They Carnever pay off the way they did in "The Things They Carried." They ultimately feel gratuitous and mannered, much like the ried," "Lake of the Woods" has willfully complicated narrative strategy that calls into question the very process of self-important comments his storytelling even as it pulls the reader into its characters' lives. narrator likes to indulge in.

"Can we believe that he was In the case of "Lake of the not a monster but a man," this Woods," a not-so-omniscient narrator says of John Wade at narrator, who bears more than a the end of the book, "That he passing resemblance to O'Brien, was innocent of everything except his life?"
Such beavy-banded passages relates the story of John and Kathy Wade, piecing together the jigsaw puzzle of their lives as best he can. His knowledge — and hence, the reader's knowl-

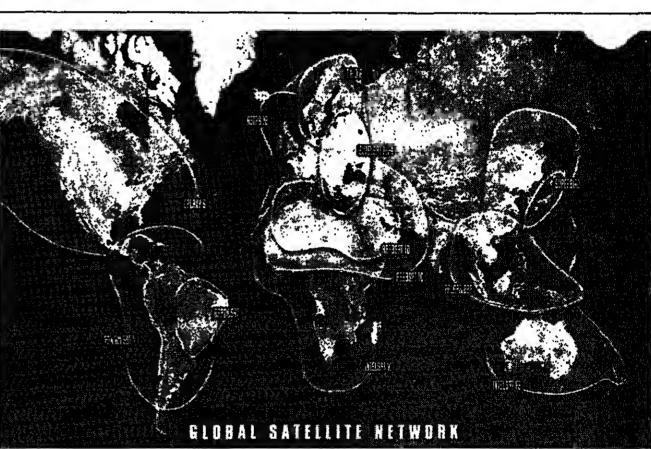
paper over the visceral drama of Wade's story, and they ultimately sap this novel of life. edge — is highly provisional. This narrator uses quotations Michiko Kakutani is on the culled from philosophy, psychol-

staff of The New York Times.

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# Chanel's Monte Carlo: Lagerfeld Scores Again

By Suzy Menkes
International Herald Tribune

ARIS - Just when you thought there was no erotic zone left to explore. Chanel played an air on a G-string.

On the backclnth was a vista of Monte Carlo beach - all sparkling sea and pink washed villa. And there on the runway were skirts flying open like a sail in the breeze to reveal rhinestone bikinis.

Chanel's show was fast, funky, flirtatinus and funny. It made a dynamic ending to a lively Paris season. It also contained, amid the inwering platform shoes with needle heels and uplifting corset belts, plenty of ideas and light-hearted wearable cluthes.
So Karl Lagerfeld pulled it

off again. Literally in the case of Claudia Schiffer who bent her runway rule of no bathing suits by flashing her itsy-bitsyteeny-weeny hikini fram under a fluffy toweling robe.

"It was an ode in Mnnte Carlo," Lagerfeld said backstage,

referring in the cliff-top villa he same about Romeo Gigli's po-calls home (well, one of them). etic clothes, inspired by Africa. He managed to capture in his spring/summer collection both
the over-scale glitz and glamour
of the Côte d'Azur playground
— and its blue-sky freshness.

So although the glitter paillettes fringing jackets, the flungon feather boas and the hottest

## PARIS FASHION

hot pants in town spelled DIS-CO, the clothes suggested the beach and open air, rather than some downtown dive. The show ended with a scene re-creating a photograph of Coco Chanel in the 1930s, larking on Monte Carlo Beach in black sweater, white pants and pearls. The models came out hoisted on the shoulders of hunky males wearing Lagerfeld's take on the

And that was the point of the show. It balanced the wacky with the wearable. The ever-inventive jackets came cropped as boleros, long and curvy, sweet in sugared-almond pastels nr sober in navy. Stripped of gilt chains and buttons (often replaced by a in the Pacific area because of zip fastener) the jackets were given a sparkle with metallic glitter in the fabric or a rhinestone border. Dresses were cut close to the Léonard's first show at the Carbody, sometimes patterned with rousel du Louvre Monday. It a print of luscious lips, or in lacy transparent knit nver bikini pants. The G-string played on throughout the show, but never seemed sleazy — although bondage dresses (which have been done better by Gianni Versace) added a false note.

AGERFELD is not above picking up ideas from others. The shoes that he claimed were from André Perugia in 1943, looked suspiciously like Vivienne Westwood 1993, A flash of G-string also appeared on Westwood's runway last sea-son. But it is Lagerfeld's genius with Chancl to keep the line to the beat of modern fashion and to make it sing.

"Chanel! It's always dotting the 'i' of fashion - it sets the mood and the message," said Joan Kaner, fashion director of Neiman-Marcus. Like all retailers, she praised a lively season that majored on glamour, color and fashion joie de vivre. Burton Tansky, Neiman's chair-man, said he believed that the about rejecting what she does not like" will like what she sees next summer.

"The customers are ready for it," said Bloomingdale's Kalman Ruttenstein of the "young, peppy" Chancl as an ending to a "powerful week."

"It will look great in our windorf Goodman. She had felt the joy of fashion.

Gigli took his African theme both literally — with bustiers made out of beads, hoop bangles and beaped-up hairstyles like tribal warriors. And he used Africa as a deep inspiration for prints that were Masai symbols or crackled batik patterns in green, indigo blue and madda red colors.

The best of the clothes were the slim jackets in an exceptional range of fabrics, sometimes with buttons decorating the pockets, or a rattle of beads at the hem. Sarong skirts, ballooning trnusers and lninclnths seemed too literal — costumes copied from a book. Yet Gigli's sincerity is evident in the designs. His veneration of native fabrics and his determination to preserve them, reflect the green thoughts of the ecologically aware. The fashion world is big enough to absorb any designer with a strong point of view.

HE shows close Tuesday, with designers mainly frnm Asia. Leonard's line is a hit the colorful prints and the bantamweight fabrics. Prints of full-blnwn roses starred in started with a gaudy disco graphic prints in gray or denim blue, and animal sophisticated ideas, including e, and animal patterns on a slinky chiffon-jersey dress.

Is the show still the thing? Barneys' Gene Pressman is one of many professionals who question the time spent on a nine-day season, when shows run behind schedule and often major in showbiz. Oscar de la Renta presented his Balmain show Monday in the showroom, the better to display the fine workmanship of the elegant clothes: jackets in rnugh-weave cream fabrics; flowing bougainvillea crepe dresses and others in fondant pink, fluttering in chiffon with marbled markings. Evening was the focus of the line because, de la Renta says, that is where the upscale client spends the money.

The two great fashion moments of the season were the high voltage glamour at John Galliano, when the show was staged against a background of vintage cars and Silver Screen style; and Jean-Paul Gaultier's show among gaudily decorated carrousels and dusty prancing horses in a fairground museum.

Both shows had a nostalgia for the feminine allure that was thrown out when the pantsuit

The new focus nn the dress, in light fabrics and sweet colors, is pitched to a customer born to overalls and jeans. The message dows no Fifth Avenue," said from the European shows was Dawn Mello, president of Berg-the fun of dressing up and the



Lagerfeld's glitter G-string under a split dress for Chanel; top right, Jean-Paul Gaultier's shiny jacket with flower-patterned pants; John Galliano's tightly fitted suit.

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# Paris Museum Seeks Heirs of Art Booty

By Barry James

nal Herald Tribune PARIS - In a haunting reminder of the Nazi pillage of French art works and the looting of thousands of Jewish homes, a score of paintings and drawings went on display at the Musée d'Orsay on Monday in the hope of tracing their owners or their heirs.

Seized as war booty, the 21 works were among 28 returned by Germany earlier this year.

The French government returned seven paintings to two unidentified families recently, including a Gauguin and a Corot, which one man remembered hanging in his room as a child.

"He was very moved to get it back," said François Renouard of the French Foreign Ministry, who has directed ne-gotiations with Germany and Russia for the return of stolen art works and archives. Those left to be claimed include a splendid Monet landscape of snow in the setting sun, a Renoir portrait of his son, a Delacroix portrait of a young man, two drawings by Seurat, a pastel by Pissarro, a drawing by Manet, a watercolor by Cezanne and a landscape by Théodore

In all likelihood, the works belonged to Jewish families sent to death camps during the war and may never be claimed. The Musée d'Orsay will keep them on display until Dec. 14, but Mr. Renouard said there was no cutoff date

A German officer entrusted the works to a soldier with orders to take them to Germany and wait for his return.

But the officer never reappeared. The unidentified soldier hung on to the paintings for many years, and in 1972 confided their presence to the Archhishop of Magdeburg under the secret of the con-

France negotiated unsuccessfully for the return of the paintings, along with other cultural goods, from 1974 to 1988. With the reunification of Germany, negotiations were resumed. Chancellor Helmut Kohl symbolically returned the Monet landscape to President François Mitterrand at a meeting in May.

In the 15 years after the end of the war. West Germany returned more than 60,000 art works to France and paid reparations for others.

Thousands more works taken to East Germany during the war were seized by the Russians. France still is trying to obtain the return of state and private archives from Moscow. German troops seized files filling 7½ kilometers (4.5 miles) of shelves. Since the fall of Communism, the Russians have sent back eight truckloads, about half the total,

Mr. Renouard said. In a recent book called "The Rape of Europa," the art historian Lynn H. Nicholas details the staggering extent of Nazi looting throughout the occupied countries. In France, the Germans raided 71,619 homes and shipped more than a million cubic meters of goods to the fatherland in more than 29,000 railroad

Truckload after truckload of paintings and objets d'art confiscated from Jewish families were dumped at the Jeu de Paume, just across the river from what is now the Orsay museum. Senior Nazi officials, including Hermann Göring, took the choicest objects.

Mr. Renouard heads the archive and documentation section of the Foreign Ministry, which itself lost part of its valuable collection of maps and globes during the war.

He said that negotiations to bring back stolen art objects often founder on delicate diplomatic and juridical problems. Many looted works, for example, have been bought in good faith by one or more huyers. Claims risk touching off counterclaims that the French, and others, would prefer to avoid.

Napoleon, after all, amassed a huge collection of art booty during the course of his conquests.



"Coco Writing" by Auguste Renoir, one of the 28 major paintings returned by Germany earlier this year.

## SERVANTS: For South Africa's Domestics, a Long Struggle for Freedom Is Far From Over KOHL: Victory in Hand, Now Comes the Hard Part

Continued from Page 1

or killed, human rights lawyers say. In one case shortly after the election, a domestic was shot and killed by her boss after she admitted to voting for Mr. Mandela, human rights lawyers

"Wherever these people can be abused, they are vulnerable," said Aubrey Lekwane, deputy regional director of Lawyers for Human Rights, a South African somebody else's children. They advocacy group. "They can't are often their family's only leave because it's the last stop. breadwinner, usually divorced Some are illiterate. There are no other jobs for them."

For generations, the masterservant relationship has heen the main meeting point for blacks and whites. The country was built with the expectation that the average middle-class white family would have live-in servants. Many otherwise modest, three-bedroom homes in the suburhs include maid's quarters in the back. The most popular comic strip in the country concerns a white householder and her black maid.

"Domestic servants are uniquitous in South Africa," said Harry Dugmore, a co-writer of

Eve." "If you have money, you wana said of the weight she car-have a servant. It is the South ries as sole provider to four chil-African way." There are at least 1 million

domestics in the country, or about one in every five hlack adults in the labor force. Many leave their own children behind or separated, because, they say, most marriages wither in their absence from home,

Many work Sunday to Sunday with indefinite hours, resting when their employer says rest, as one domestic put it. Some get only a few hours off every Thursday. They usually eat the family's leftovers and live free of charge in a tiny back

If they are lucky, they make \$150 a month, most of which goes to feeding and clothing the children and grandchildren they do not get to raise. Most go home once a year at Christmas. "I do not have dreams, only

dren and three grandchildren back home in Transkei. "As I am eating this meal, I am thinking about them."

She rarely speaks to her chil-dren because her employer will not permit her to call home. To reach her family, she must get a friend in the post office to relay messages for her.

That is the lesser of her indignities. She dusts the sofas and chairs but is not permitted to sit on them. She must move from room to room the one kitchen chair she is allowed to sit on, placing newspapers underneath

before setting it down. "If I want to sit and talk with the madame, I have to bring my chair," she said, "f cannot sit on her chairs. My things must not mix with her things, I must use my own spoon, my own olate, my own cup.

A hard life has gotten harder since the campaign last April. A few days before the election. Delsie Sedibe recalled, her employer showed her a copy of the hallot and pointed to the picture of Frederik W. de Klerk, the comic strip, "Madam and worries," Antoinette Dlung- the former president, and gave for him, too," the master said.

instructions: "This is what you vote for. Don't make a mistake. There is de Klerk. There is Buthelezi below him. You must be careful. Mandela is light in complexion. Don't confuse him with de Klerk." She was referring to Chief Mangosuthu Buthelezi, head of the Zulubased Inkatha Freedom Party.

The employer took her maid to the polls, as many did, and warned her again about what she must do, Mrs. Sedibe nodded and stepped inside.

When I was in the voting booth, it was only me and my God," she said. "So I put an X next to Mandela.

Some time after Mr. Mandels won, Mrs. Sedibe was watching the news, after finishing the ironing, when she was asked what she was doing.

"I want to hear what Man-dela is saying." Mrs. Sedibe "Why are you listening?" the

master said. "That means you like him." "He's the president," she said. "He was voted hy the peo-

"Oh, that means you voted

A few weeks later she was continued from Page 1 dismissed. The job had been work of German unity. "If the paying her S100 a month.

zens, half of whom are unem-ployed. Mr. Mandela has put a Both hrands of unity may be priority on improving the econ- within Mr. Kohl's reach, but omy, creating more johs and neither will be wholly successful raising the level of education so if Germany becomes mired in that people like domestics can the problems now threatening get better johs.

After hearing of Mr. Mandela's inauguration, Mrs. Dlung-nomic plight. On the surface—wana was suphoric. A man who and the surface is what Mr. looked like her, was Xhosa like Kohl chose to stress in the camher, has her high cheekbones paign — things look pretty fair, and regal, handsome face, was Inflation has dropped a bit, to in charge of the country.

But after it was over, she walked up the fire escape to the just under 8 percent in Western for the scape to the Germany and under 14 percent 6-foot-hy-8-foot (1.8-meter-hy 2.4-meter) cell-like room, lighted by a naked light bulb, that is her home 11 months of the year. There is room for only a bed and the boxes she has made her closet.

She taped a poster-sized picture of Mr. Mandela above her hot plate. Then she thought about her life.

"There is no change," Mrs. Dlungwana said. "We are still treated exactly like slaves."

Germans don't realize now that The government's general re- German unity as a historical sponse to labor issues has been event will be wasted if we don't that the Reconstruction and press ahead in parallel with Eu-Development Program will help ropean unity, then there is no set the country on the right hope for the Germans," the course to the benefit of all citi- chancellor said in a press con-

Consider the country's ecojust over 3 percent. Unemployment has also come down, to in the East, Last year's shrinking economy has been sup-planted by this year's 2.5 percent growth, including a boom of more than 8 percent in Eastern Germany. The country had a \$39 hillion trade surplus last

But beneath these glad tidings lie intractable structural problems, which the German government has only superficially addressed. More than 3.5 million people remain jobless now spends one mark in every erament

permanent feature of the German landscape. Germans work fewer hours and have the highest wages and benefits (now creeping toward \$30 per hour on average) than anyone else in the world, with predictable re-

sults for product costs. Despite recent efforts to improve competitiveness by lowering some husiness taxes, the country is ensnared in regulation and hobbled by a lack of workplace flexibility. For example, working on Sunday is still virtually banned and shop hours are tightly controlled.

> innovation are advancing slowly, at best. The engine of recovery is running on two cylinders, for-eign demand and a construction boom," Rudolf Scharping. the Social Democrats' unsuccessful candidate for chancellor, observed during the campaign. "The other two cylinders are missing, capital investment" and domestic demand.

Privatization and technological

finpressive progress in the East has come at the expense of a runaway federal debt and the transfer of some 500 billion Deutsche marks (\$325 billion)

and there are signs that high seven on deht servicing and tha: unemployment may become a most likely will rise to one mark in every four by 1997, according to the Federal Audit Office.

Beyond the economy are a host of other domestic problems: persistent rightist violence and xenophobia; disturbing demographic trends, including a rapidly aging population; increasing crime; a troubled university system, and so-

Some of those closest to Mr. Kohl suspect, however, that the chancellor wants to spend his final term not in the bowels of German domestic policy but on. the sunny heights where statesmen stand.

A genuinely unified Europe, perhaps garnished with a per-manent German seat on the United Nations Security Council and routine German participation in international peacekeeping expeditions, would ensure Mr. Kohl's stature as a chancellor for the ages — "Bis-marck in a cardigan," as Der Spiegel magazine dubbed him.

Whether domestic politics permits the chancellor to complete his European architecture and whether Mr. Kohl has the wherewithal to tackle German from Western Germany in the domestic problems will be last four years. The government linchpin issues in the new gov-

# Herald Tribune

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## TUNNEL: Passenger Trains to Roll Under Channel in Mid-November

Continued from Page 1

day trading session on the Paris Bourse at a record low of 17.85 francs (\$3.47), off 6 percent on

The operator of the Channel Tunnel had earlier cut its revenue forecasts for this year by three-fourths, to 337 million francs instead of the 1.35 billion forecast in May. With freight shuttle trains

and through freight trains up and running, and with through passenger service scheduled for

next month, all that remains to be opened is passenger shuttle service, which will take passengers and their cars between Dover on the English side and Calais. That service is expected to begin in late November or early December.

Passengers and freight comtheir way into the market day each way, with business through heavy price discounts building steadily. In the week were disappointed on Monday.

Eurotunnel officials stressed trains had carried 1,725 trucks.

that theirs is a "premium ser-

tair said. "We will not buy busi- nel. DCSS.

Eurotunnel's commercial director, Christopher Garnett. noted that the company's panies hoping to see the opera- freight shuttles for heavy-goods tors of the tunnel trains muscle trucks now ran 34 departures a

Mr. Garnett also said that several delivery services were "We do not seek to undercut switching some of their busithe ferries on price." Sir Alas- ness from airplanes to the tun-

> Sir Alastair proved his confidence in the tunnel's prospects by revealing that he had just. laced an order for 5,000 Eurotunnel shares.

> "I will sell them when I have got a 50 percent return," hesaid. He did not predict when

## DOLLAR: No Reversal Is in Sight Following Currency's Latest Tumble

Continued from Page 1

Sunday that seemed to imply a lack of concern with the dollar's weakness, were enough to send the currency crashing. When it hit 1.4970 DM in Asian trading, the dollar was more than 2 pfennigs below its Friday close in New York and stood at its lowest level in two years.

On Monday, Mr. Bentsen said he wanted to see the dollar stronger, but his comments were disregarded by the market. In Asia, the dollar also fell sharply

against the yen, hitting 97.25 yen before massive intervention by the Bank of Japan drove it back above 98 yen. But it fell again later in the day, to 97.65 yen.

Analysts said that, as has been the case

One hig question worrying some experts was how long corporations would remain neutral on the dollar.

Suffer major setbacks in next month's congressional elections.

While the dollar's preakces has a such

They have stuck with the currency for a long time," said Mr. Burke, who noted that in February the dollar stood at 1.7700 DM. A shift of sentiment in the corporate sector would knock out one of the few pillars of

support the dollar still has. In the near term, experts see the dollar as heading still lower. Christian Dunis, currency strategist at

Chemical Bank, sees it heading down by 2 or 3 more pfennigs. Others see it going into the mid-1.40s.

Michael Burke, an economist with Citibank's foreign exchange department, not-ed that with Mr. Kohl's government safely for much of the year, most of the activity re-elected, "The question of political risk came from banks and speculative hedge now switches firmly to the U.S." The Clinfunds seeking short-term trading gains.

While the dollar's weakness has caught. many analysts by surprise, most see little sign of a full-blown dollar rout.

What worries some observers is that U.S. statistics Friday showing lessened inflationary pressures were presumed to be bullish for the currency. With the dollar actually dropping, some analysts expressed concern as to how the market would respond to bad figures.

The French franc also weakened against the mark, falling below its 3.4305 franc floor against the mark under the former fluctuation ranges of the EU's exchange rate mechanism. In New York, the dollar ended at 5.1430 francs, compared with 5.2138 on Friday.

- ERIK IPSEN

## CHINA: Swords for Plowshares

Continued from Page 1

ers of civilian goods. American officials said the commission would pursue projects that would provide the Chinese with technology for "environmentally safe vehicles" and for air traffic control for civilian flights, a joh now handled by the mili-

Westinghouse Electric Corp. and Raytheon Co. are both involved in negotiations already to provide air traffic control equipment, sources in Beijing said. And though a U.S. official traveling with Mr. Perry said that contract awards were not imminent, he hoped the commission would later help tilt the Chinese government toward U.S. contractors.

that would have military applications, but U.S. officials adamantly asserted that any tech- tions with China.

nology given would he for civilian purposes and would have to go through the usual technology export licensing procedures.

Mr. Perry also urged Chinese officials to make their military budget and planning more open in order to avoid misunderstandings. Military analysts believe China's official military budget is a fraction of its true military spending, for example,

ence to Japan, Vietnam and Taiwan, a senior U.S. official worst-case scenarios.

The Perry visit has been aided by several earlier missions. The meetings this week are the bit, apparently. Many military analysts say culmination of talks that startsenior Pentagon official. Charles had misjudged the pub-

## Continued from Page 1

public. Two weeks ago, a book

with the Princess of Wales was published and another book is due out shortly on the princess by Andrew Morton. His earlier book, "Diana, Her True Story." in June 1992, first revealed that

What the effect of all this is, and whether or not it seriously In what was probably a refererodes the profoundly felt support for the monarchy, is difficult to determine. But on Monsaid secrecy would only prompt day editorial writers, to Charles's office for correc-China's neighbors look at columnists and some politicians tion of factual material. were cranking away on a favor-

The consensus, if there was

# RIFT: Prince Philip Rebukes Son

by an army major who claimed to have had a five-year affair her marriage was a sham.

including his private secretary. Richard Aylard, who have beer urging a policy of openness.

The authorized hiography was by Jonathan Dimbleby, a respected journalist who produced a TV documentary large. ly sympathetic to Charles in June in which the heir to the throne admitted for the first; time that he had committed adultery.

The book drew upon 10,000 of Charles's letters and diaries and interviews with him and his friends. The text was submitted.

ite subject: How much more revelation can we take? Quite a character in a Greek tragedy, At one point, the book has thinking: "How could I have got it all so wrong?" Charles they believe the Chinese milied almost a year ago when a one, appeared to be that Prince and Diana, who have two sons, Charles W. Freeman Jr., came lic's ability to extend sympathy spate of revelations, many comseparated in 1992. Given the here to reopen military rela- and made a mistake in listening mentators believe that divorce to a new crop of royal advisers, is now only a matter of time.

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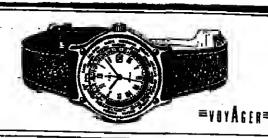
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Finance	117.43	117.18	+0.21	Consumer Goods	106.89	106.28	+0.57
Services	120.98	120.86	+0.10	Miscellaneous	125.54	125.15	+0.31

Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

# **GE Sells Kidder** To Rival **Broker**

Compiled by Our Staff From Dispatcher
NEW YORK -- General Electric Co. said Monday that it was selling most of its troubled hrokerage subsidiary. Kidder Peabody & Co., to PaineWebber Inc. in a stock deal valued at \$670 million.

In a joint statement, the companies said PaineWebber would acquire Kidder's retail business, which includes 1,150 brokers in 50 offices.

Neither company said whether there would be layoffs after the sale. But one unnamed GE executive said that half of Kidder's 5,000 employees would be

Acquiring Kidder makes PaineWebber the fourth-largest U.S. investment firm.

GE will get a 25 percent stake in the combined enterprise, as well as a representative on PaineWebber's board. It agreed to indemnify PaineWebber on all of Kidder's existing liabil-ities, the companies said.

GE also agreed to pay an average of two weeks' severance for each year worked to laid-off Kidder employees.

PaineWebber will also buy Kidder's investment banking and other businesses.

GE has plowed about \$1.4 billion into Kidder since acquiring the hrokerage in 1986.

GE and Kidder executives said that under the stock swap, GE will receive 21.5 million PaineWebber shares, valued at \$320 million, \$100 million in convertible preferred stock and Monday amid market jitters over the \$250 million in preferred stock. potential for fiscal slippage.

While the Deutsche mark rose to a

GE's shares closed uo-PaineWebber's stock rose 12.5

# Brewer's Frothy Fortunes San Miguel, on a Roll, Looks Abroad

By Kevin Murphy onal Herald Tribune

MANILA - Though few companies are better placed to profit from the nascent economic recovery in the Philippines. San Miguel Corp. is already looking abroad.

Aided by a corporate streamlining and a strong upturn in consumer spending, the beverage, food and packaging concern reported Monday that its net profit soared 40 percent, to 3.1 billion pesos (\$121.8 million), in the first eight months of this year from the like period last year.

More of the same is expected, analysts say, as the newly stable Philippine economy profits from a wide-ranging program of structural reform that is leaving consumers — who spend about 60 percent of their income on food, beverages and tobacco - with more money to throw around.

Economic growth in the Philippines hit 5.1 percent in the first half of the year, sending economists scurrying to update their estimates. Now some of the more optimistic among them say growth could top 6 perceot

Yet despite prospects for growth at home, San Miguel's most exciting opportunities may he in markets such as Indonesia, China and Nepal, the company says, as it comes under pressure from local competitors and the eventual arrival of foreign rivals in its increasingly

open home market.
"It will be a challenge to catch up with the growth in the Philippine market," Delfin Gonzalez, San Miguel's chief financial officer, said. "It won't be easy to expand here beyond our current relative size.'

Already the largest company listed on the Philippine Stock Exchange, San Miguel's turnover represents about 4 percent of gross oarional product. The various taxes it pays account for 7 percent of government revenue San Miguel dominates the local beer mar-

ket, with close to a 90 percent share, and it sells Coca-Cola's line of soft drinks in the tropical, thirst-inducing Philippine climate.
The recent end to the country's crippling electricity shortages, with power outages lasting as long as 12 hours a day, suggests a

The China market will be a distribution game. We're working hard to get control over the market and the way our beer is distributed.'

Delfin Gonzalez, San Miguel's chief financial officer

considerable upside for a producer of soft drinks, ice cream and other perishable food

"Who wants to go out to eat in a hot, dark restaurant?" Mr. Gonzalez asked. A joint venture with Nestlé SA bodes well for the development of San Miguel's sales of dairy products and fruit drinks, while a 30 billion peso modernizatioo program since

aging and meats divisions.

"Consumer tastes and needs are going to change with more prosperity," Mr. Gonzalez said, "and we are looking for opportunities in

1988 promises greater efficiency in its pack-

See MIGUEL, Page 13

# Renault Valued At \$7.4 Billion To Start Sell-Off

PARIS - France valued Renault formed a strategic alli-

state-owned Renault SA at be- ance with another company. tween 39 billion French francs
(\$7.4 billion) and 42.5 billion right government's program to francs Monday in its first step sell state-owned companies, in the public sale of Europe's both to decrease the state's role sixth-largest car maker and in industry and to raise cash to fourth-largest truck maker. narrow the government budget

The government said it deficit. France plans to raise 55 planed to sell about 28 percent billion francs both this year and of the company to the public in next from asset sales.

the next few weeks.
Investors worldwide, includ-Investors worldwide, including institutional investors in the shares from commercial and United States, can place orders for Renault shares beginning investors must submit offers.

Tuesday, Economy Minister which the government said Edmond Alphandery said.

"It's an important moment for the Paris stock market, since a major French industrial company will be added," Mr. Alphandery said.

The sale will occur no later than Dec. 15, and probably by late November, and the exact price will be set the day before orders are filled. The governon or after Nov. 3.

France could raise about 12 not give up control of the auto-maker, which employs about

and 6 millioo to company employees, reducing its stake in Renault to about 51 percent from 79 percent. The price range of 163 francs ment may stop accepting orders to 178 francs a share was estab-

Starting Tuesday, individuals

savings banks, and institutional

which the government said

could be from 163 francs to 178

The government plans to sell

from 62 million to 70 million

Renault shares to the public

francs a share.

lisbed by the four advisory France could raise about 12 banks to the government and billion francs from the sale and Renault and is in line with estistill hold 51 percent of Renault. mates by the state's privatization.
The government said it would committee, which has not yet

See RENAULT, Page 12

# German Stocks Slip Amid Worry on Spending Policy

By Brandon Mitchener

FRANKFURT - Fiscal responsibility, not the number of seats in Parliament, will be the way markets ultimately judge the new-old German government, the Bundesbank and economists said

changed at \$50.375 on the New prices climbed on Chancellor Helmut York Stock Exchange, while Kohl's narrow election victory and the

The Bundesbank and others took the occasion to warn against any sign of wavering on the subject of the federal

Hans Tietmeyer, the Bundesbaok president, advised Mr. Kohl and his aides to work quickly to convioce mar-kets of their will to consolidate federal two-and-a-half-year high and bond government finances, beginning with expenditure cuts that would earn trust with financial markets - and the cenprospect of continuity in economic poli- tral bank. That trust is a condition for

Allgemeine Zeitung.

Mr. Kohl, meanwhile, promised to omists said in a commentary. Continue his government's "successful Others speculated on the potential of policies." But some private economists coalition infighting that could lead to warned that the opposition Social Demanother election before long. ocratic Party's new strength in the upper On the whole, however, economists house of Parliament could lead Mr. appeared more relieved that Mr. Kohl

ocrats' taste to ensure its passage.

Given the opposition's ability to is already programmed," said Armin hlock legislation, "it is doubtful whether Kayser, a senior economist at Swiss the new government will have the politicents, to \$15. (AP, Reuters) cy, the 30-share German Stock ladex lower taxes in a later stage of fiscal cal will and power to implement all the

succumbed to profit-taking, falling consolidation, be told the Frankfurter painful spending cuts" oeeded for debt 14.85 points to 2,090.88.

consolidation, be told the Frankfurter painful spending cuts" oeeded for debt reduction, Goldman, Sachs & Co. econ-

Others speculated on the potential for

Kohl's center-right coalition to flavor will stay in power than worried about important legislation to the Social Dem-

See GERMANY, Page 12

## Thinking Ahead /Commentary

# Changing the Rules for the EU Club

By Reginald Dale onal Herald Tribune

PASHINGTON — Here's something that sounds like an entertaining idea. France's minister for European affairs, Alain Lamassoure, is proposing that the European Union be enti-

tled to throw out members it doesn't like. One imagines Greece as the first to go, for economie incompetence and general obnoxionsness, with Britain and Denmark next, for lack of commitment to the

European ideal. Unfortunately, perhaps, that is not what Mr. Lamassoure is proposing. He is not trying to evict any of the Union's current members. He is simply urging that cinh rules be amended to provide for voluntary departure or expulsion, but only in the most extreme cases of politi-

cal apostasy. Neither of these is possible under the current rules. But as the club gets bigger and expands to Central Europe, Mr. Lamassoure says it would be wise to have such legal instruments at hand.

The plan might suit some people admirably. It coincides with a suggestion from Norman Lamont, a former British chancellor of the Exchequer, that his country may one day want to withdraw from the Union - a prospect that some of the Britain's long-suffering partners might view with relief.

But it is alarming to many others particularly to countries outside the French-German "hard core" oow forming at the Union's center. In Washington last week, Prime Minister Anibal Cavaco Silva of Portugal weighed in heavily

against the idea. His fear is that an expulsion proviso might be used to pressure or threaten countries unable to keep pace with the leaders. Rather than be disqualified from the Union, he argues, laggards should be granted waivers from the rules and encouraged to catch up.

Mr. Lamassoure, of course, is not targeting such good Europeans as the Portuguese. His specific coocern is that the

If a country tried to leave now, it would create a horrible legal mess.

Union have the legal authority to evict a former Communist country that re-

lapsed into totalitarianism after becoming a member. Other new entrants might want to leave voluntarily — perhaps after a change of government, Mr. Lamassoure says. Less tactfully, be adds, if exit procedures had existed in the past, candidates for voluntary departure might have included Denmark after it rejected the Maastricht Treaty in June 1992, or Britain if the Labor government had failed to

Mr. Lamassoure wants any divorce to be amicable. The departing country

renegotiate the terms of British entry in

would withdraw from the Unioo's central institutions but could stay in the single market.

It is true that if a country tried to leave in present conditions, it would create a horrible legal mess. But the reality is that it would not be kept in the Union against its will. If all the other members wanted to eject a relapsing communist country they would find a way to do so.

The most serious objection to Mr. Lamassoure's plan is that it would ehallenge a basic tenet of European integratioo: that as membership is irrevocable, the only way to solve differences is to negotiate a compromise in which every-

one's interests are respected. While this approach has slowed the pace of integration, it has at least kept everyone on board. It is certainly much less likely to work in a Unioo of 20 or

But the French government and Mr. Lamassoure have already provided the answer by proposing a Europe of concentrie circles, in which the outer rings of countries are progressively less tightly

bound to the center. Those unwilling or unable to keep up with the leaders would settle in the circle that suited them best. Nobody would

actually have to leave the Union. Juridically speaking, Mr. Lamassoure's suggestions make sense. But politically, they will arouse deep suspicions. To others, it will look too much as if France wants to set the terms of mem-

ECU

bership for everyone else.

# KITTYHAWK

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# **CURRENCY & INTEREST RATES**

1.48	2.76	1.285	0.282	0.394	----	5.44	1.345	1.2715	1.28	
1.48	2.76	1.285	0.282	0.394	----	5.44	1.345	1.2715	1.28	
3.875	4.31	2.525	5.975	2.534	1.2775	----	2.1755	1.393	2.25	
1.594	2.495	----	0.2712	0.377	0.394	4.576	1.295	1.594	1.385	
1.595	2.496	----	2.613	0.2961	2.2714	2.2714	4.576	2.2715	1.594	2.375
1.594	2.475	1.815	2.295	2.294	2.2714	2.2714	4.272	2.272	1.594	2.275
1.594	2.475	1.815	2.295	2.295	2.295	2.295				
1.594	2.475	1.815	2.295	2.295	2.295	2.295				
1.595	2.395	2.431	2.395	2.395	2.395	2.395	2.395			
1.595	2.395	2.431	2.395	2.395	2.395	2.395	2.395			
1.595	2.395	0.597	2.434	5.58	2.395	2.395	2.395			
1.595	2.395	0.597	2.295	2.395	2.395	2.395	2.395			
1.595	2.395	0.597	0.295	2.395	2.395	2.395	2.395			
1.595	2.395	0.597	0.295	2.395	2.395	2.395	2.395	2.395		
1.595	2.395	0.597	0.295	2.395	2.395	2.395	2.395	2.395		
1.595	0.795	0.795	0.595	2.395	2.395	2.395	2.395	2.395	2.395	
1.595	0.795	0.795	0.595	2.395	2.395	2.395	2.395	2.395	2.395	
1.595	0.795	0.795	0.795	2.395	2.395	2.395	2.395	2.395	2.395	2.395

Other Dollar Values Carrency Per S
Max. peso 3.414
M. Zeolond S 1.4399
Marw. icrone 4.5532
Phil., peso 25.30
Pollah zlofy 23313.
Port. escudo
Russi rusbic 286.00
Suodi riyol 3.75
Sing. S 1.4728 

Forward Rates

**Key Money Rates** 5% 6.00 5 % 5 % 6% 8.46 Discount rule
Prime rute
Prime rute
Prederal funds
3-month CDu
Comm, paper 100 days
3-month Treasury bill
1-year Treasury bill
2-year Treasury sote
5-year Treasury note
10-year Treasury note
10-year Treasury note
30-year Treasury bond
Marrill Lynch 30-day Re 5.00 5.00 5¼ 5¼ 5 ½ 5 ½ 5½ 5½ 5¾ 5¼ 8.02 8.00 1% 2% 24 2% 2% A.M. P.M. Ch'ge
Zurich 389.05 389.25 + L65
London 389.95 389.25 + L65
New York 390.70 392.10 + 2.10
U.S. dollars per ource. London official fixlines; Zurich and New York opening and clasline offices; New York Comme (Newspher). Ing prices; New York Comex (December.)

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**EUROPEAN FUTURES** 

## MARKET DIARY

# Inflation Optimism Buoys Wall Street

Compiled by Our Staff From Dispatches NEW YORK - Stock prices rose Monday as optimism about inflation and third-quarter earnings offset worries about a weak dollar.

The Dow Jones industrial average closed 13.46 points higher, at 3,923.93.

But declining issues led advancers by an II-to-10 ratio on

## **U.S. Stocks**

the New York Stock Exchange. Volume was 238.4 million

companies such as steel, mining cent of Chemical Waste. and paper benefited from the market's upturn.

11/2, to 791/4, after Scott Paper an investigation into accountbecame the latest paper maker ing irregularities. to post better-than-expected gained 11/2, to 781/2.

many chose to focus on last week's inflation-friendly reports.

Coosumer and producer

Coos week's inflation-friendly reports. Coosumer and producer price reports that showed the economy growing steadily but without undue inflation eased investors' fear that the Federal

short-term interest rates.

earnings for the quarter ended Sept. 30.

Offsetting confidence in the economy were worries about a weak dollar, which fell against the Deutsche mark after Chancellor Helmut Kohl's narrow victory in Sunday's German election.

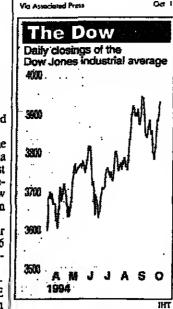
The benchmark 30-year Treasury bond closed flat at 96 7/32, to yield 7.83 percent, unchanged from Friday.

Chemical Waste Management, the most active NYSE issue, added 14, to 94, when WMX Technologies increased Shares of cyclically sensitive its offer to acquire the 21 per-

California Micro Devices slumped 6%, to 71/2, after the International Paper climbed company said it had launched

Tobacco and international profit. Scott Paper went up 1, to oil stocks were among the big-63%, and Georgia-Pacific gest gainers. Philip Morris Cos. gained 1%, to 61%, in anticipa-With little economic data to tion of the tobacco and foodinfluence investors Mooday, maker's third-quarter earnings

Eastman Kodak declined 114, to 4814, when the camera and photo equipment giant said in an internal memo that it would Reserve Board would soon raise freeze hiring and reduce expen-Investor confidence also had ditures because profit was una boost from strong corporate der pressure. (AP, Bloomberg)

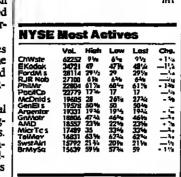


NYSE Indexes

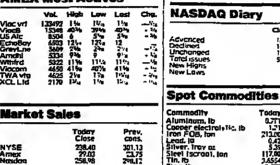
**NYSE Diary** 

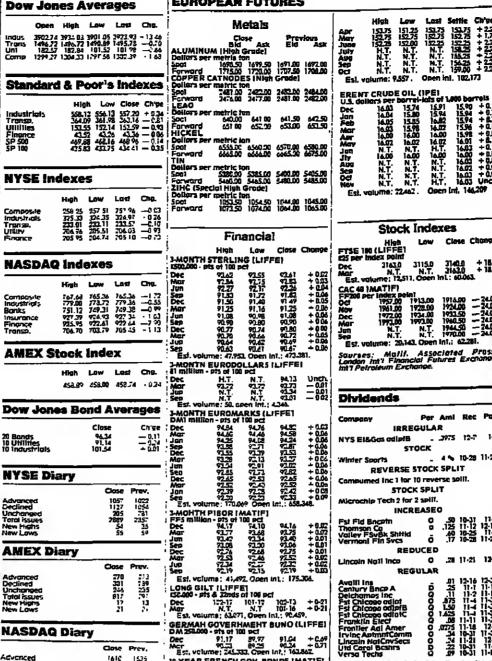
**AMEX Diary** 

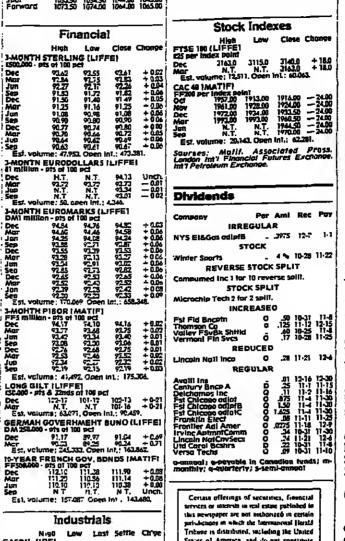
Declined Unchanged Total issues New Highs New Laws











Tribuse is distributed, secleding the United States of America, and do not constitute allering: of securities, a cores or meresty in these periodictions. The Correspond Result

## RENAULT: Sell-Off Under Way free the company from govern-

## Continued from Page 11

established a definitive price for Renault, Mr. Alonandery said.

Of the shares offered to the public, 60 perceot are reserved for individuals and the rest for institutional investors. In the nault after its shareholders obcase of heavy demand from individuals, 15 percent of shares erament's continued control offered to institutional investors can be sold to individuals.

Private investors may bid for a maximum of 60 shares. Those who own so-called Balladur last month to sell at least 8 bonds may buy an additional 60 percent of the French company shares if they cash in the bonds to pay for them.

Bids from potential core shareholders are due Wednesday.

mined number of shares in the crease of 124 percent, to 1.71 United States, a senior aide to billion francs, on flat sales of Mr. Alphandery said.

The chairman of Renault, bying for a speedy sell-off to million francs

ment control and give it more room to forge links with other automakers.

In December 1993, Volvo AB called off a merger with Reand lack of guarantees of a public share sale.

Volvo currently owns about 20 percent of Renault. It agreed when the share offer was made. Renault last year had net

About 5 percent of Renault's profit of 1.07 billion francs, one capital will be held by about a to post a profit in the recession. Bids from potential core share. and again in 1995, analysts say.

Morgan Stanley & Co. will , Last month, Renault report-manage the sale of an undeter- ed a first-half pretax profit in-89.9 billion francs.

First-half operating profit. Louis Schweitzer, has been lob- however, fell 11 percent to 688

# GERMANY: Stocks Slip Amid Fiscal-Policy Concern

## Continued from Page 11

Bank Corp. in Frankfurt, noting plans for spending cuts and tax increases that were made before the elections.

'Actually there's not much left to do next year," he said. Many economists also say fears of fiscal slippage attributed to the power of the Social Democratic Party are unfound-

Like the Christian Democrats and Free Democrats, the ment analyst at Banque Nation- ty.

was to have become finance - to "do the right thing." minister if the Social Democrats had won the elections, recently called for European Union guidelines on fiscal con-

does not now meet - to be made even more restrictive, not less so.

Social Democrats have said ale de Paris, meanwhile, said they would aim for consolida- Mr. Kohl had at least two years tion. Oskar Lafontaine, who - until the next state elections

Industrials

NOV DEC JIR F+0 ACT

While the opposition's strength gives it the power to block legislation, he said, it also encoursolidation - which Germany ages cohesion in the governing coalition.

Along with structural unemployment, reducing the federal Alexander Blaich, an invest- deficit is a key economic priori-

> 12.82 12.79 12.49 12.37 12.00 12.00 12.59 12.59 12.49 12.22 11.91

## Transamerica to Sell Unit to John Hancock

Bloomberg Business News BOSTON - John Hancock Mutual Funds said Monday it had agreed to acquire the mutual fund unit of Transamerica Corp. in a transaction valued at about \$100 million.

Transamerica's mutual funds management group is based in Houston, where it will continue

to operate.
The merger was the second in a week in the \$2.1 trillion American mutual fund industry.

## U.S./AT THE CLOSE

## U.S. Inventories and Sales Climb

WASHINGTON (Combined Disputches) - Business inventones rose I percent in August, the biggest advance since a 1.2 percent rise in May, the Commerce Department said Monday.

The gain was larger than economists expected, and was impressive given the fact that it came in a month when retailers wholesalers and manufacturers reported the largest sales growth - 3 percent - in almost eight years. (AP. Bloomberg)

## **Apple and Intel Earnings Rise**

NEW YORK (Combined Dispatches) - Apple Computer Inc. and Intel Corp. posted gams in quarterly earnings Monday, with Apple crediting heavy demand for new products for also helping to generate record sales.

Apple's sales in the fourth quarter of its financial year ending Sept. 30 were \$2.49 billion, up 16 percent from \$2.14 billion a year ago. Net income was \$114.7 million, up from just \$2.7 million in the 1993 quarter. In addition to the revenue growth, the company cited higher gross margins as a percentage of net sales, and lower operating expenses.

Intel said third-qurater quarter net income rose 13 percent, to \$659 million from \$584 million a year ago, boosted by an already announced sale of the company's programmable logic device assets and settlement of various insurance claims. Net income totaled \$659 million, compared with \$584 million for the 1993 (Knight-Ridder, Bloomberg) quarter.

## MCI Forms Mexican Phone Venture

WASHINGTON (Bloomberg) — MCI Corp. and Grupo Financiero Banamex-Accival SA, Mexico's largest banking company, announced Monday they would form a joint venture called Avantel SA to challenge Telefonos de Mexico's monopoly in long-distance telephone service.

MCI will execut \$150 million impredictely and \$450 million over

MCI will spend \$150 million immediately and \$450 million over the next several years for 45 percent of the company. The new company plans to invest an initial \$650 million to

construct a fiber-optic cable link between Mexico City, Guadala-jara and Monterrey. By 2000, Avantel will invest \$1.8 billion to build a 12,000-mile network in Mexico, according to MCI.

## NationsBank Records Higher Profit

NEW YORK (Combined Dispatches) - NationsBank Corp. on Monday said its third-quarter profit increased 26 percent. The bank attributed the rise to loan growth, tighter control on expenses and improved credit quality.

Net income totaled \$431 million, compared with \$341 million.

Although the results were in line with analysts' expectations, they

included losses of \$4 million on sales of securities, compared to securities gains of \$50 million a year ago.

Separately, First Chicago Corp. said its third-quarter net income fell 46 percent, mostly because venture capital gains were lower than a year earlier. Net income fell to \$153.8 million from \$284.1 million a year earlier. The bank's stock fell 25 cents to (Knight-Ridder, Bloomberg)

## Cost Cuts Give Upjohn Good Marks

NEW YORK (Knight-Ridder) - Cost cuts and growth in sales outside the United States helped Upjohn Co, report third-quarter earnings on Monday that heat analysts' expectations.

Upjohn recorded net income of \$134 million, compared with a

loss of \$30 million a year ago. The year-earlier results included a \$216 million charge for restructuring. Sales in the quarter declined 4 percent to \$839 million.

Upjohn's third-quarter U.S. sales, which fell 16 percent, were hurt by price decreases caused by competition in the generic market. Non-U.S. sales rose 14 percent.

## **Weekend Box Office**

The Associated Press

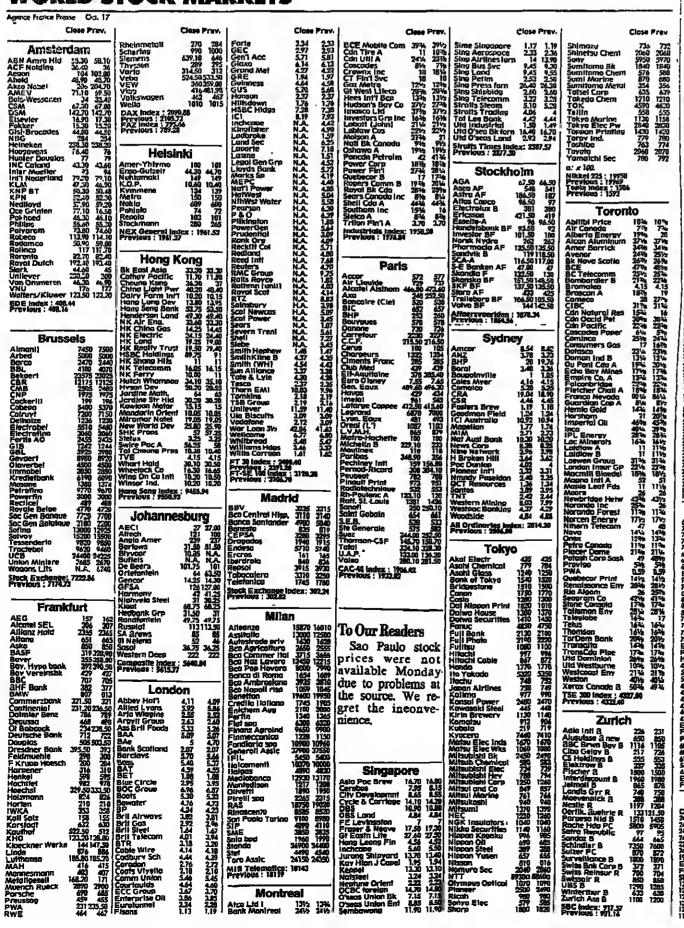
LOS ANGELES — "Pulp Fiction" dominated the U.S. box office with a gross of \$9.2 million over the weekend, Following are the top 10 moneymakers, based on Friday ticket sales and estimat-

ales for Saturday and S	Sunday.	
"Pulp Fiction"	(Miromax)	59.2 million
"The Specialist"	(Warner Bruthers)	\$8.9 rolition
"Wes Croven's Hew Nightmare"	New Line Cinemal	\$7.1 minion
"The River Wild"	(Universal)	\$5.5 mlillen
"Little Gionts"	(Womer Brothers)	\$\$.4 million
"Only You"	(TriStor)	14.3 million
"Forrest Gump"	(Paramount)	\$3.3 million
"Exil le Eden"	(Savoy Pictures)	\$3.1 million
"The Showshork Redemption"	(Columbia)	172.5 million
Wale Chaud	distant many Classes	**

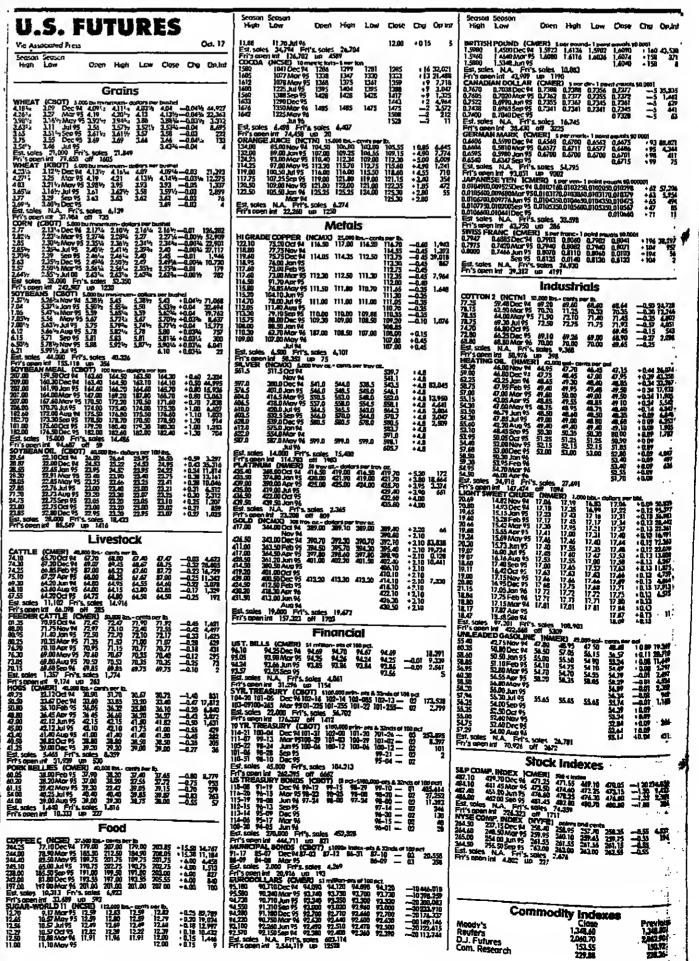
Commodity Indexes

Close
1,24,60
2206,70
153,55
ch 227,88

## **WORLD STOCK MARKETS**



Singapore
Asia Poe Brew 14,70
Gerebos 7,95
City Development 2,95
City Development 4,10
DB3 14,10



# Samsung Plans 2d Factory as It Commits to U.K.

LONDON - The South Korean electronics manufacturer Samsung Electronics Co. said Monday it planned to build a plant in northeast England that would bring more than 3,000 jobs to the area.

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**網報 141** / []

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f sleave-

The British government is putting up £58 million (\$92 million) of the £450 million investment in grants and loans, said the president of its Board of . Trade, Michael Heseltine. Other assistance is to come from local agencies.

In addition, Samsung has chosen London for its European headquarters, Mr. Heseltine said, and says it will open research and development and training centers in England:

This reflects the effective partnership between government and local partners in attracting inward investment," Mr. Heseltine said in Seoul, where he met with Samsung officials.

Samsung said the plant in Wynyard, in the county of Cleveland, would make a range of electronic equipment, beginning with microwave ovens and computer monitors. The plant will be completed in phases by

## Arrest Ordered In Fraud Case

The Associated Press BARCELONA - A Supreme Court judge Monday ordered the arrest of the financier Javier de la Rosa for alleged fraud involving a loan to a compa-

ny he formerly ran. The case was said to involve the company Gran Tibidabo, formed to build and run a theme park in northeastern Spain. Mr. de la Rosa is suspected of fraud involving a 1 billion peseta (\$8 million) loan to Gran Tibidabo by Chase Manhattan Bank.

which was ranked No. 14 in the 1994 Fortune Global 500, has 200,000 employees in 57 coun-

It already has a television factory at Billingham, Cleveland, employing 300 people. A British government agency re-cently offered the company £2 million to expand this operation to create 240 more jobs.

Samsung said the new move was part of its globalization strategy. Two to three other fully integrated production complexes are being planned for Western Europe and one for Eastern Europe.

Mr. Heseltine said Samsung's move "is a clear sign of their satisfaction with their experience of manufacturing in the U.K. until now and of their longer-term confidence that the business environment in Britain will bring them success, here and in Europe."

Samsung said that the complex eventually will produce 1 million computer monitors, 250,000 facsimile machines, 250,000 personal computers and 3 million monitor tubes as well as 8-inch wafer semicon-

It said that a plant capable of producing 1.3 million microwave ovens a year would begin production next August and that there were plans to build a

(Bloomberg, Reuters, AFP)

# Is Nestlé Buyout Thirst Quenched? Chief Executive Says Geography Can Provide Growth

By John Tagliabue New York Times Service

VEVEY, Switzerland Nestlé SA, the Swiss conglomerate best known for its chocolate and coffee, is looking to achieve further growth by finding fresh markets for its existing food and beverage products rather than through more costly acquisitions.

Nestle's purchase last month of Alpo, the American dog food brand, from its British competitor Grand Metropolitan PLC was the latest in a string of takeovers that included the British chocolate-maker Rowntree in 1988 and France's Source Perner in 1992. More recently, Nestlé purchased Buitoni SpA of Italy.

Helmut Maucher, Nestle's chief executive, is generally credited with baving awakened a sleeping giant during his 13 years in office. He says that roughly two-thirds of Nestle's growth over the last decade came through acquisitions and one-third through internal expansion.

"In the next 10 years the ratio will reverse," Maucher said. "We're in all the fields we want to be in.'

Mr. Maucher is hardly averse to further takeovers. But the main impetus for growth, he says, will come from geographical spread and internal expansion.

For example, Mr. Maucher talks of selling Buitoni pastas or Kit Kat chocolate bars in Japan, or making Maggi dehydrated soups, which are popular in Western Europe, in Slo-

Nestlé: An Overview

Nestlé, the giant Swiss company best known for coffee and milk products, is trying to find new markets for its existing products.

For the moment, the strongest growth is coming from Nestle's geographic spread. Crédit Suisse, in a recent report, estimated that Nestle's growth outside the mature North American and Europe-

The leading region is East Asia, where Mr. Maucher said the company's business was

Principal 3.6%
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product groups 5.6%
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Sales

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Sales and net

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an markets was averaging

about 15 percent annually.

growing by 10 percent to 13 instant coffee from its facpercent annually

The revival of Latin America's economies has made the region Nestlé's second largest growth area, after Asia.

Nescafe instant coffee and Nesquik chocolate in Hungary. To soften up the Russian market, Nestle is importing

27.8%

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\$2.0 billion

tories in India, awaiting the day when Russia's legal and business practices are mature enough for a direct entry. Analysts said Mr. Maucher

had introduced an unaccus-In Eastern Europe, Nestlė tomed pragmatism into Neshas purchased chocolate factle during his tenure, stifling distaste for deals with the tories in Poland and the Czech Republic and is packaging competition by entering successful joint ventures. Nestlé now cooperates with

> breakfast cereals such as Cheerios in 25 countries outside the United States, cutting into Kellogg's dominance in Europe and Asia. Nestlè's cereal sales with General Mills have grown to \$390 million.

General Mills Inc. to sell

Working with Coca-Cola Co., Nestle sells soft drinks such as Nestea iced tea and coffee in cans.

Mr. Maucher's acquisitions have focused on Nestle's core businesses of food and beverages, where the goal was to obtain a commanding market share for Nestlé brands.

An illustration of this was Nestle's push into the mineral water business, where it be-came the world leader after taking over Perrier in France. With a buying spree in the United States, Nestlé acquired Arrowhead water in California and Poland Spring in Maine. Nestle now commands a quarter of the American market.

"Springs are like petro-leum," Mr. Maueber said. You can always build a chocolate factory. But springs, you have or you don't have."

## Investor's Europe London FTSE 100 Index CAC 40 2300 -2300 --Prev. Change Close 408.16 +0.07408.44 +0.67 Stock Index 7,222.85 7,174.78 Frankfurt DAX 2.090.88 2.105.73 -0.71 Frankfurt FAZ 795,66 789.28 +0.61 Helsinki HEX 1,961,27 10.0+ 1.981.53 2,400.40 2,391,20 +0.38 London 3,106,70 FTSE 100 +0.43 London 3,120,20 General Index -0.19 302.24 302.82 Madrid Milan 10143 10119 +0.24 1.38 +0.74 +0.30 Stock Index 431.52 -0.39 SBS 921.16

## Very briefly:

 Skoda AS workers held a one-hour strike to protest policies of the management, run by Volkswagen AG, which include job cuts. · Belarus's president, Alexander Lukashenko, issued a decree to double the monthly minimum wage to 20,000 Belarussian rubles (\$3) and promised more benefits to pensioners and the jobless.

 The Amsterdam court of appeals handed down its first conviction in an insider trading case, sentencing a Dutch businessman to six months in prison.

 Montedison SpA, the Italian agrochemical company that almost collapsed last year, said it had finished renegotiating the final portion of its debt, at 345 billion lire (\$220 million), with creditor

 French industrial production rose in September because of strong domestie and foreign demand, a survey of business leaders by the Bank of France said.

 The European Commission started an investigation under EU merger regulations of the planned joint venture between Siemens AG and STET SpA unit Italtel for certain telecommunication AP. Bloomberg, AFX, AFP

# Roche Plans to Cut 5,000 Workers as Sales Slump

Source: Company reports

Compiled by Our Staff From Dispatches

BASEL, Switzerland - Roche Holding AG said Monday it would cut about 5,000 employees over the next several months as it absorbs operations of the U.S. drugmaker Syntex Corp. and combats stagnant sales.

The drug and chemical company also announced flat nine-month sales of

earnings. In local currencies, it said, sales rose 6 percent.

It said it would take a restructuring charge of about 230 million francs this year but still expected higher profit.

"Barring extraordinary events, net income for the 1994 business year can be expected to show a further rise over 1993 10.73 billion francs (\$8 billion), saying despite a charge for additional reserves the strong Swiss currency had eroded of about 230 million francs for the strong swiss currency had eroded of about 230 million francs for the ers Librium and Valium, completed its the world. (AP, Bloomberg, Reuters)

planned restructuring of the pharma- \$5.3 billion buyout of Syntex, a pioneer ceuticals division," Roche said.

with the integration of Syntex.

from 5.905 francs.

in birth-control pills, on Aug. 31. Although the sales were at the lower end of expectations, analysts were encouraged by the restructuring because it come mostly through attrition and some showed Roche was proceeding swiftly early retirements, but some layoffs will be unavoidable, said Gaston von Glutz, But Roche's stock fell to 5,800 francs Roche spokesman.

Roche said the job cuts, which are

On November 22nd, the IHT plans to publish a Sponsored Section on

## LEBANON

Among the topics to be covered are:

■ The reconstruction of Beirut.

Strengthening the asset base of the banking sector.

The return of flight capital. ■ The bidding contest for \$2 billion in

contracts. Rebuilding the tourism sector.

Bill Mahder in Paris at (33-1) 46 37 93 78. faxc (33-1) 46 37 50 44.

Herald Research Eribung

# MIGUEL: Philippine Brewer, on a Roll, Looks Abroad for Future Gains

## Continued from Page 11

new value-added food products and market niches. There are pockets where things could be better, but on the whole we are very happy with the way things

But bigger markets beckon, particularly for its famous beer. At the beginning of the 1990s, 10 percent of company revenue came from overseas markets. Now that figure is 15 percent to 16 percent, with 20

Leading earnings in the near future, however, will be brewing interests in Hong Kong, Indonesia, Vietnam and China, where the group is soon to announce a major expansion, as well as a small stake in Nepal's Mount Everest brewery.

percent the target for 2000.

The group has ice cream interests in Guam and Taiwan, a really have to know what you're

San Miguel's beer sales are growing 20 percent a year in China, which has eclipsed the company's traditional stronghold in Hong Kong, where it is the leading brew. The growth has prompted the need to add brewing capacity, but the company says its most difficult work remains to be done.

"In China a lot of deals can plastic packaging plant in south- getting into." He rejected the

em China and a shrimp feed criticism of some analysts that the end of the day, the China factory in China's Fujian Province. It is also negotiating for a
glass factory in Vietnam while
scouting India for opportunities.

San Miguel has been too tentamarket will be a distribution
game. We're working hard to get
control over the market and the
way our beer is distributed."

Judging from the market response to a recent bond offering by San Miguel, international investors appear to believe the company's approach to China and Asia is working.

The company was able to sell \$115 million of bonds at 190 basis points, or 1.9 percentage "We could sell it all at the points, above the five-year U.S. gate," said Mr. Gonzalez of a Treasury note, a better rate market now 10 times larger than that in the Philippines. "But at ment's most recent bond issue.

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# **PUTNAM PREMIER INCOME PROTECTION TRUST**

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Dividend Announcement

The Putnam Premier Income Protection Trust will pay to its shareholders on record date 20 October 1994 a dividend of USH 0.05 per share portfolio A. The shares are traded ex dividend date as from 20 October 1994. The payments will be made on 27 October 1994. The Board of Directors of NKK Putnam Management Company

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# Odgier Trade Surplus Eases in Japan At a Gentle Pace

By Steven Brull nai Heraid Tribuni

TOKYO - In a clear sign has peaked and begun to contract, the government reported Monday that the surplus feil in September by 4.6 percent and declined over the six months through September for the first time in three and a half years.

In theory, the 0.7 percent contraction in the half-year surplus, to \$59.38 billion, should clieve upward pressure on the yen and provide impetus to Ja- surplus with the United States pan's still slow recovery from its longest postwar recession.

But with the trade surplus

shrinking at such a leisurely will do little to weaken the yen. Moreover, there is the uncomfortable fact for Tokyo that its trade surplus with the United States grew 2.4 percent in September, its sixth straight month

of year-on-year expansion.

The surplus is not going to come down all at once, but we're definitely past the peak and headed in the right direction," said Ron Bevacqua, economist at Merrill Lynch Japan.

Tokyo's trade surplus, which hit \$141 billion in 1993, is likely to swell to \$147 billion in 1994 before declining to \$127 billion in 1995, he said.

The Finance Ministry said Friday that Japan's merchandise trade surplus in September fell 4.6 percent, to \$11.94 billion. That marked the second consecutive month of year-onyear declines and reflected the 31st consecutive month, reflectslowly expanding economy's propensity to import more.

mand for Japanese products Presse reported, quoting an in-boosted exports by 8,2 percent, dustry association. to \$36.09 billion, imports rose 16 percent, to \$24,15 billion, raptcies fell 6.8 percent in Sep-Contributing the most were tember from a year earlier, to sharply higher imports of crude 1,104 cases, their third consecuoil and machinery.

pensive foreign products was clear in September's 59 percent increase in auto imports and 42 that Japan's trade imbalance percent rise in imports of audio-

visual equipment.
Still, the Finance Ministry was cautious, warning that ex-change rates and oil prices could disrupt the trend. Growth outside Japan also will mitigate against a rapid decline in Tokyo's trade surplus.

Despite a 14 percent jump in the value of the yen against the dollar so far this year. Tokyo's grew to \$5.8 billion in September. Exports advanced 6.3 percent, to \$10.9 billion, as imports rose 12.6 percent, to \$5.1 billion.

The surplus is likely to shrink only when the U.S. economy loses its thirst for Japanese imports. "We are confident that as the U.S. economy begins to slow down over the next six months, the bilateral surplus will start to decline in earnest, Baring Securities said in a note

to investors. Japan's trade surplus with Asia expanded 11.3 percent, to \$5.3 billion. Exports rose 16 percent, to \$14.2 billion, but imports jumped 19 percent, to \$8.9 billion.

The higgest improvement came in trade with the European Union, where Japan's surplus narrowed 20 percent, to \$2.2 billion.

## ■ Big Stores' Sales Decline

Tokyo's department store sales in September fell for the ing slow sales of autumn clothes and continued sluggish corpo-Although strong overseas de- rate demand, Agence France-

But Japanese corporate banktive year-on-year decline, a pri-The growing taste for less ex- vate credit research agency said.

# IMF Chief Reassures Manila

MANILA - The head of the International Monetary Fund expressed concern Monday about inflation in the Philippines but said he was otherwise

Michel Camdessus, the IMF managing director, arrived Saturday for talks with President Fidel V. Ramos and other Philippine leaders.

Senator Raul Roco, chair-man of the Senate Finance Committee, said senators had held cordial talks with Mr.

"There was no effort to tell us what to do," Mr. Roco said. "They are happy with the Philippine economic development."

Mr. Roco said Mr. Camdessus brought up the subject of the inflation rate, which was 8.6 percent in September, down from 9.9 percent in August.

Mr. Camdessus told central bank officials that he wanted inflation to remain in single digits, Gabriel Singson, governor of the central bank, said.

# Honda Focuses on Asia **Carmaker Invests in Thailand Factory**

TOKYO — Taking advantage of a booming Southeast Asian market while protecting itself from a strong yen. Honda Motor Co. said Monday it would build a \$100 million car plant in Thailand. Toyota Motor Corp., the

top automaker in Japan, also announced plans to increase production in Thailand. Honda said the factory would allow it to increase production in Thailand to as much as 100,000 cars a year from 36,000 currently.

percent over three years. Toyota is also considering expanding its factory in the Philippines. The company al-ready has plants in Indonesia, Malaysia and Taiwan.

Toyota said it would raise

output at its Thai plant by 50

All Japanese carmakers have seen their revenue reduced as the rise in the yen cuts into proceeds from overseas sales when these are converted back into yen.

Because the automakers get as much as 60 percent of their revenue from overseas sales, production outside Japan reduces the currency risk and moves production closer to their growing markets.

Honda said its revenue was cut by 26 billion yen (\$262 million) in its last quarter because of the yen, and Toyota lost 160 billion yen to negative currency translations in its latest full year.

Steve Usher, an analyst at Kleinwort Benson International, said most Japanese automakers had finished the

Demand for cars in Southeast Asia has been growing at a phenomenal

work of building production plants in North America and will now shift to developing markets such as Asia.

Demand for cars in Southeast Asia has been growing at a phenomenal rate as incomes and living standards rise. Toyota said sales in 1993 in

The yea's strength has tak- tion of Southeast Asian Naen a heavy toll this year: tions grew 18.5 percent from a year earlier. Sales in Thailand, where the economy surged more than 8 percent last year, grew 26 percent.

ASEAN comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Spokesmen for Honda and Toyota said they saw great potential for car sales in Asia. While the 220,000 cars Toyota sold in Southeast Asia last year pale in comparison with the 1,030,000 cars it sold in the United States, growth rates are the key attraction, the Toyota spokesman said.

Honda said the new plant, its third in Thailand, would start production in the spring of 1996. The company has sold 23,000 cars in Thailand so far this year, up 40 percent from last year.

The Southeast Asian market is progressing more rapid-ly than that of China, where Japanese companies have met with less success. Toyota has signaled its willingness to build a joint-venture vehicle plant in China but has vet to receive approval from Beijing. (Bloomberg, AP, Reuters)

## the six nations of the Associa-Firm Finally Gets Minivan in Gear

By Andrew Pollack New York Times Service

TOKYO -- Honda Motor Co. will attempt to plug a major hole in its product line Thurswhen it comes out with its first minivan. The name of the van, Odyssey, could not be more appropriate.

The Odyssey is only the first step in what is likely to be a long journey for Honda, as it tries to catch up in a booming part of the vehicle market that it has ignored for years.

Honda officials have said they hope to make up for their late start by creating a new type of vehicle, combining the spaciousness of a minivan and the maneuverability of a car.

Analysts said the Odyssey, which will go on sale immediately in Japan and early next year in the United States and Europe, did have some innovative features. It also has shortcomings, including a high price and a small engine, both of which will limit its appeal in the American market.

"It's a very good vehicle, but it's not fully competitive with the U.S. vans," said Chris W. Cedergren of AutoPacific Inc., a consulting firm. "What they're trying to do is get their feet wer."

Honda has fairly limited ambitions. To cles a year in the United States. By contrast, Chrysler Corp. is expected to sell more than 500,000 of its Dodge Caravan and Plymouth Voyager vans this year.

Honda has always believed in focusing on passenger cars, ignoring commercial vehicles. That philosophy caused it to miss out on the rapidly growing markets for minivans, pickups and sport-utility vehicles in the American market, an egregious blunder for a company that sells more cars in the United States than it does in Japan.

These types of vehicles account for about 40 percent of the American market, and is remains the only major manufacturer that has not begun competing for this market share.

Honda executives in Japan have been talking for a year about how innovative the new minivan would be. Company engineers codenamed the Odyssey P.J. - for personal jet.

The new vehicle is indeed car-like in some respects and is based on the chassis used in the popular Accord. It is somewhat narrower and shorter than most minivans in the United States. It has four conventional car doors, as in a sedan, rather than the rear sliding door found in most minivans.

The Odyssey also has a four-cylinder, 2.2liter gasoline engine, smaller than the V-6 engines common in American minivans.

The Odyssey will be pricey. In Japan, the hase model will start at about 2 million yen, or about \$20,000. In the United States the Odyssey is expected to sell for \$22,000 to \$26,000, compared with a range of \$18,000 to \$25,000 for many competitors.

One reason for the high price in the United iaics is inat the van will be ma Japan, and its export price will reflect the strength of the yen.

Honda is already developing a V-6 engine for the Accord, and that engine will eventually become an option for the Odyssey. By 2000, Mr. Cedergren of AutoPacific predicted manufactured in the United States and aimed more specifically at the American market.

# **India Eases** Rules on Loan Rates. Fees to Fall

BOMBAY - India partly deregulated interest rates Monday in the latest phase of its economic reform program, and bankers said they expected prime rates to fall.

Officials at the Reserve Bank of India said the move was part of a phased program to bring in lower interest rates.

Under the new guidelines, commercial banks will be free starting Tuesday to decide how much to charge on loans of more than 200,000 rupees (\$6,383), Alana Killawala, the central bank's spokeswoman, said.

Bankers said the lower rates would help stimulate India's economy in the fourth year of reforms aimed at integrating the country into the global

houses said the move should two to 2.5 percentage points.

Until now, banks have been required to charge a minimum 200,000 rupees. That rate, curlending in India and was set hy

Interest rates on loans be-tween 25,000 and 200,000 rupees are fixed at 13.5 percent, the central bank said. Loans of less than 25,000 rupees are fixed at 12 percent

A bank governor, Chakra-varty Rangarajan, outlining the bank's credit policy for the next six months, also eased credit controls on cotton and rice and raised borrowing limits for major infrastructure projects to 5 billion rupees a project from 2 billion rupees.

commercial banks.

were nationalized in 1969.

Bankers said the Reserve Bank's move, which was an-nounced after the close of trading on India's stock markets, had taken them by surprise. (Reuters, Bloomberg)

есопошу.

Officials at Indian brokerage lead to a rate ent of about one percentage point, but some bankers said the cuts would be

interest rate on loans above rently 15 percent, was the benchmark rate for all bank the central bank.

free up 28 billion rupees by cutting reserve requirements of

The interest-rate deregula-tion allows banks to set their own prime lending rates.

"Banks would be required to ohtain the approval of their respective boards for the prime lending rate, which will be the minimum rate charged by the banks for credit limits of over bank said. Nearly all large banks in India have been owned by the government since they

## Investor's Asia Singapore Hong Kong Nikkei 225 22000 ~ 21000-2100 M JJ AS O. 0.5 A L L M 0508 Exchange Monday Prev. Index Close Close Change Hang Seng 9,455.94 9.550.93 -0.99 Họng Kong Singapore Straits Times 2,387,57 2,377.30 +0.43 All Ordinanes 2.006.00 Sydney 2,014,20 +0.41 Tokyo Nikkei 225 19,958.29 19,969.29 -0.06 Kuala Lumpur Composite 1,126.12 1,128.45 -0.21 Bangkok 1,509,47 1,498,55 +0.73 Composite Stock . 1,109.87 1,096.48 +1.22 Talpei 6,731.23 6,695.46 +0.53 Manile 3,050,14 2,999.93 +1.67 Jakarte Stock Index 511.34 510.34 +0.20

## Very briefly:

New Zealand NZSE-40

Bombey National Index

• British Airways PLC has joined with Air China, China's international carrier, and Hutchison Whampon Ltd., the Hong Kong conglomerate, to hid for one of three aircraft maintenance licenses at Hong Kong's new airport.

2,066,38

2,055.47 2,068.63

Hong Leong Bank Bhd. surprised analysts when its stock rose
 165 percent on its first day of trading in Kuala Lumpur, closing at

8.75 ringgit (\$3.42) after an issue price of 3.30. Japan Air Lines Co., Japan's largest carrier, said it had been talking to Thai Airways International Ltd. since early this year

about strengthening business ties. • China Resources Holdings, a state-controlled holding company. has sold its most of its stake in Giordano Holding Ltd., a Hong. Kong retailer controlled by Jimmy Lai.

• Dai-Ichi Kangyo Bank Ltd. and Bank of Tokyo offered the best rates on the first day deposit accounts were deregulated in Japan, at 0.30 percent; eight of the 11 largest banks offered 0.25 percent. • Singapore companies' investment abroad rose 26 percent last year, to 28.2 billion Singapore dollars (\$19 billion); almost onethird of the money went to Malaysia and Hong Kong.

 OLS Asia Holdings, the third Chinese company to list its stock on the Australian stock exchange, closed at 1 Australian dollar (73 U.S. cents), up from its issue price of 92 cents. AFP, Bloomberg, Reuters

## The bank said it would also Shaky Start by Manila Issue

MANILA -- Shares in a telecommunications company making its debut on the Philippine Stock Exchange suffered Monday because of controversy over revelations that its chairman had a U.S. criminal con-

viction, brokers said. But they also said that a five million peso (\$196,000) fine imposed by the exchange against would help the market, making it clear to investors that authorities were serious about enforcing trading rules.

Liberty Telecom Holdings Inc., a mobile-phone company headed by Raymond Moreno, ended its first day of trading at 2.65 pesos after opening at 2.80. The shares, offered to the public

at 2.50, reportedly had been trading at 3.50 on the gray mar-ket before the listing. Patrick Garcia of L. M. Gar-

cia & Associates noted "nervous selling on the issue."

The local lead underwriter, Peregrine Capital Philippines Inc., was fined for making a "late and incomplete" disclosure that Mr. Moreno had paid a related U.S. civil action in 1987. The charges against him arose from a Justice Department inquiry into an alleged conspiracy to siphon \$3 million from a government-financed telecom-

Peregrine has denied it was at fault and has asked the exchange to review the fine.

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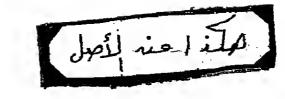
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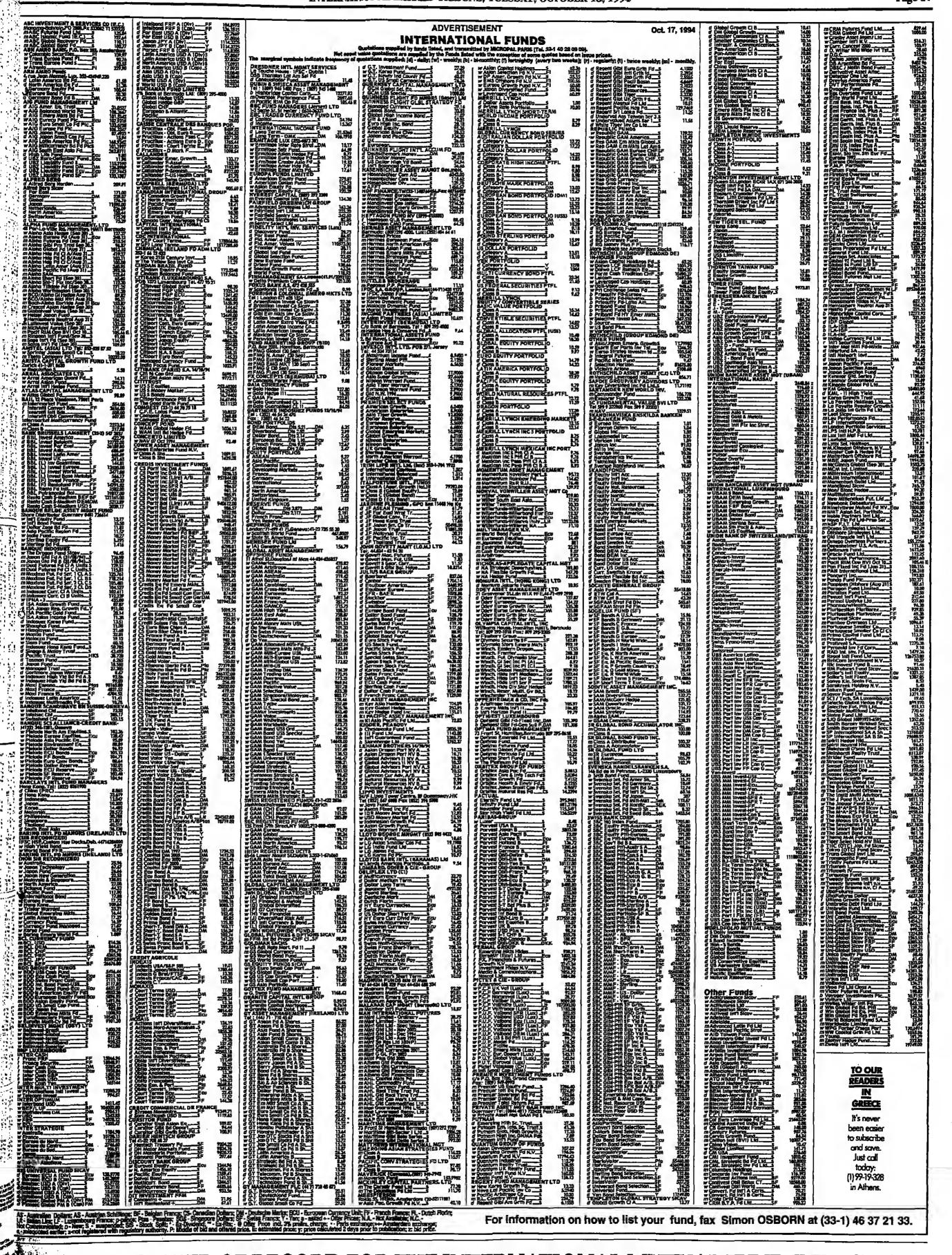
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Herald Tribune

# Struggling Saints Easy Prey for Perfect Chargers

al Football League's only un- 1-yard run in the second. beaten team. They are off to their best start since going 11-0 to open the 1961 season.

Things are indeed looking good for the San Diego Char-gers, their latest bit of promising news a 36-22 decision over the Saints in New Orleans.

"We're playing well," said quarterback Stan Humphries,

## NFL ROUNDUP

who completed 17 of 29 passes for 186 yards on Sunday. "I think this team can go as far as it wants."

But Natrone Means, who rushed for three touchdowns and had two others called back on holding penalties, sees no point in making projections. "We're happy, but we're level-headed," he said. "We're going to keep working at winning."

The Chargers scored on seven of their first eight possessions and dropped the Saints to 2-5. After trailing 27-7 at the balf, the Saints pulled to 33-22 with 9:39 left. But on their next possession, Derek Brown fumbled

New Orleans 12. putting the game away. John Carney, the San Diego kicker, added five field goals to Means's three rushing TDs.

San Diego dominated from the start, scoring on its first five possessions. On the sixth, Humphries knelt with the ball to run out the clock,

Chargers had only two offensive penalties, no turnovers and allowed one sack despite heavy Herald Tribune: Saints pressure.

By halftime, the Chargers bad outgained New Orleans 235 given a second chance by Coach yards to 112. Means ran for 75 Buddy Ryan to be Arizona's

They are 6-0 and the Nation- yarder in the first quarter and a

Carney hit two second-quarter field goals, from 49 and 31 yards. He added scores from 29 yards twice in the third quarter and from 28 in the fourth.

New Orleans scored on two touchdown passes from Jim Everett - an 18-yarder to Quinn Early and a 1-yard toss to Irv Smith. Lorenzo Neal added a 1yard scoring run.

Cowboys 24, Eagles 13: In Irving, Texas, Emmitt Smith ran for 106 yards and one toucbdown and Troy Aikman threw two TD passes against Philadelphia as Dallas took sole possession of first place in the

Smith broke the team record shared by Bob Hayes and Frank Clarke with a touchdown in his eighth straight game. Aikman surpassed the club mark held by Don Meredith and Roger Staubach with a TD pass in 12 consecutive games.

Dallas (5-1) intercepted four passes by Randall Cunning-ham. Cunningham, however, had an 80-yard quick kick for and San Diego recovered at the Philadelphia (4-2).

> Rams 17, Giants 10: In Anabeim, California, Chris Miller threw two TD passes in the first quarter and the Rams sent New York to its third straight loss.

The Rams (3-4) made the lead (3-3) in the second half. New York's Dave Brown again strug-Playing almost flawlessly, the gled, throwing two interceptions.

In earlier games, reported Monday in some editions of the



Despite a sack by Philadelphia's William Thomas (51) and Greg Townsend, the Cowboys' quarterback Troy Aikman threw two touchdown passes to lead Dallas to a 24-13 victory.

tying touchdown pass with 19 seconds left in regulation.

stand up, shutting out the Giants Shuler threw five interceptions, two to three weeks. the last one by Terry Hoage and leading to Todd Peterson's 29yard winning field goal with straight time. five minutes left in overtime.

Arizona (2-4) overcame a 14-deficit in the fourth quarter. Cardinals 19, Redskins 16; In Washington (1-6) lost its 11th Washington, Steve Beuerlein, straight game to an NFC East opponent.

yards, including three touch- starting quarterback, threw a Pittsburgh, the Steelers won de-

spite an early knee injury to Stovanovich's 29-yard field running back Barry Foster that goal 5:46 into overtime. Parma-Redskins rookie Heath is expected to sideline him for lee also recovered a fumbled

> The Steelers (4-2) beat Cincinnati (0-6) for the seventh ter, and made a hard hit that Dolphins 20, Raiders 17: In Miami, the Dolphins moved

ONE-DAY INTERNATIONAL

West Indies vs. India Meaday, In Fortdebod, India

into sole possession of the AFC East lead. Bernie Parmalee ran for a ca-

punt by Tim Brown that set up the tying TD in the fourth quargave Rocket Ismail a slight concussion on a kickoff return.

The Dolphins 15-2) won despite Dan Marino completing only 17 of 37 passes. The Raiders (2-4) also had problems as Jeff Hostetler (8-0f-23) was Steelers 14, Bengals 10: In reer-high 150 yards, including a benched after arguing with 26-yard jount that led to Pete Coach Art Shell on the sidelines.

# Ranking-Game Clamor Starts As Penn St. Moves to the Top

By J. A. Adande and David Nakamura

Washington Post Service WASHINGTON - There was a brief silence at Florida Field as the Auburn wide receiver Frank Sanders landed in the end zone with the winning touchdown pass in his hands. It was only a brief interlude, between the moment the breath went out of the more than 80,000 Florida fans and the moment the Auburn fans realized that their team had just toppled the No. 1 Gators and began hollering.

It could be the last silent moment of the college football season. Get ready for more heated debates over who should be No. 1 and more clamoring for a playoff system now that the latest national rankings are out.

In the Associated Press media poll, Auburn the 7-0 team that beat the former top-ranked team on the road - is No. 4. Nebraska - the 7-0 team with the most first-place votes - is ranked third. with the most first-place votes — is ranked fined, having fallen a spot after beating what had been the No. 16 team — Kansas State — on the road. Colorado, which is 6-0 after playing the toughest schedule of any of the contenders, is No. 2.

And 6-0 Penn State, the team ranked behind Nebraska last week, is No. 1 — with a head coach who says that it's insignificant.

"I really don't care about polls," Joe Paterno said after his Nittany Lions scored a critical 31-

24 victory at then-No. 5 Michigan on Saturday. "We've got five more tough games to play and the polls don't really matter," he added. "We'll worry about what the polls bave to say after the

next five games." Penn State had 19 first-place votes and 1,487 points. Colorado had 15 first-place votes and 1,474 points. Nebraska had 25 first-place votes, but only 1,463 points. Auburn had three first-place votes and 1,402 points. Florida fell to fifth.

Nebraska also was overtaken in the USA To-day/CNN ecaches' poll. The Cornhuskers main-tained their No. 2 ranking and had 31 first-place votes (and 1.498 points), but Penn State jumped to No. I from No. 3, receiving 22 first-place

votes and 1,504 points. When asked why his team didn't advance to the top spot despite its 17-6 victory on Saturday over Kansas State, Nebraska's coach, Tom Osborne, said: "I think we beat a pretty good team, and yet certainly beating K-State doesn't get the same respect that Penn State beating Michigan does or maybe Colorado beating Oklahoma."

"We keep coming away with victories against ranked teams, which is great, but they keep talking about the Auhums and the Floridas," said the Colorado tailback Rashaan Salaam, who scored four touchdowns in Colorado's 45-7 victory over Oklahoma. "I just can't wait until Oct. 29. We'll see who's number one."

That's when Colorado travels to Nebraska in what looms as the biggest showdown left until what looms as the niggest showdown left until the January bowl games. Penn State has a neck off before playing Ohio State at home. The road to its first Big Ten Conference championship gets easier after that, with games against Indiana. Illinois, Northwestern and Michigan State.

Lack of respect is still the tefrain coming from Auburn, which has won 18 consecutive games

and is responsible for creating this mess by breaking Florida's hold on the top spot.

The Tigers are ineligible for pusteason play and aren't included in the coaches' poll because of National Collegiate Athletic Association sanctions. Saturday was their best chance to advance their cause by beating a higher-ranked team at though they can still make a case by beating No. 8 Alabama (7-0) in the final game of the season. "If they don't give us respect after this one, that's just tough," said Auburn's quarterback.

## Who should be No. 1? The arguments are strong in every case, which is one reason why the voting is so close.

Patrick Nix. "I don't think there's a doubt who the No. I team in the nation right now is. Everybody said there was no doubt Florida was, so when you come and beat them in their place ...

And then there's the bowl coalition poll, which combines the teams' point totals in the media and coaches' polls in an attempt to formulate the best possible bowl matchups - but does not determine a national champion. In that poll, Penn State is No. 1, followed by Nebraska, Culorado, Auburn and Florida.

So who should be No. 1? The arguments are strong in every case, which is one reason why the voting is so close.

Penn State has produced astronomical offensive statistics and Saturday crased the knock that it hadn't played a real team. Colorado has routed Wisconsin, the defending Rose Bowl champion, won at Michigan in the most dramatic game of the season and has victories over Texas and Oklahoma. Nebraska began the season strongly and is undefeated.

But the Cornhuskers' victories against West Virginia and UCLA, which were both in the top 25 at the start of the season, look weaker and weaker as both of those teams struggle.

Auburn is undefeated and won at Florida, greatest test on a weak schedule. But should a team on probation be national champion?

## **SCOREBOARD**

# **NFL Standings** AMERICAN CONFERENCE L T Pts PF PA 2 0 7/4 180 146 3 0 571 134 143 3 0 571 134 143 4 0 .529 140 145 4 0 .629 175 186 .833 129 66 .867 114 111 .167 87 134 .000 88 143 Son Diego NATIONAL CONFERENCE Dailas Philadeiphi N.Y. Glants

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Dallas 24, Philiodelphio 13 **CFL Standings** 

The AP Top 25

The Associated Press caffese toolball soil, with first-place vetes in parentheses, records through Oct. 15, hold points based on 25 points for a first place value through one point for a 1. Peret St. (19) 4. Texas A&M
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8. Alabama
9. Washington

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10, Milan 10, Filterating 9, Inter 8, Costarl 8,
Cenad 2, Taring 7, Cremence 8, Napoli 5,
Padava 4, Arescio 2, Regalang 1,

BASE BALL NEW YORK—Execrcised their 1975 con-tract option on Steve Howe, Mitcher, OAKLAND—Autounced that Lance Blan-kenship and Steve Sax, infielders, refused out-

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SEA77LE—Colmed Alex Diaz, pulfielder, off withers from Allwoukee.

TEXAS—Announced that Tim Leary, elicher, refused on eutriphi assignment and elected free opency Walved Roo Ducey, eutlielder, TDRONTO—Named Gord Ash seneral manager. Announced that pomell Coles, infielder, refused an autitiphi assignment and elected free opency Announced that Rich Hocker, special assignment coach, was not retained for the 1975 season.

National League
ATLANTA—Bougl contracts al Eddie Peat. colciter, and Ferry Clark, Pilcher, Iram

CINCINNATI-Traded Joorb Brumfield outfleider, is Pilisburgh far Danny Clyburn outfleider. Sont Micati Franklin, outfleider, to

outfielder. Sent Micah Franklin, auflielder, to Pirates to complete the July 27 trade for 2r len Hunter, first baseman-outlielder. Extended contract of Jim Bowden, general manager, five years through 1999.

CDLORADO—Walved Mike Harkey, Scott Fredrickgon and Jim Czotkowski, pitchers: Oansw Sheaffer, catcher: Trenfood Hubbard, outflighter: and Netson Liriano, infleider, Agreed to forms with Jack 2toomticid, Alei Netson, Jim Fanning and Pal Dobson, scouts, for the 1995 season.

FLORIDA—Extended contract of Rene Lachmann, manager, flurugh 1997. Nomed land Management hitting season.

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RODNEY

PITTSBURCH—Designated Mark Devery pilcher, for assignment, Chained Helson Lir-lana, infielder, off walvers from Colorada, ST. LOUIS—Named Wolf Jacketty peneral

manager,
SAN FRANCISCO—Announced that Dave
Martinez, autilisider, refused an outright assignment and elected free opency. Anneunced that Todd Benzikser, first boseman,
and Bud Black, pitcher, refused outright assignments and elected free openv.

BASKETBALL

CHARLOTTE-Wolved Terry Boyd, guard. GOLDEN STATE forward.
LOS ANGELES—Traded Deus Christie, guard-forward to New York for two future second-round draft choices. Somes Enic contract. kowski, guard-forward, to a multivear contract. lordoway, puard, to a 10-year contract.
PHOENIX—Waived Duane Cooper, guard.
SEATTLE—Waived Corl Thomas and Som

FOOTBALL

FOOTBALL
Notional Football League
CINCINNATI—Signed Milch Benser, punter, to practice savad.
CLEVELAND—Pur Wolfer Recess, Notifiend,
on Injured reserve. Re-signed Frank Harriey, light and, Acquired Repinoid Jones, corner-back, from New Orleans for an undisclosed draft choice. Waived Schwin Jones, cornerback.

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GREEN BAY-Armounced they will not re-new their lease op Althouses County Studment meet rease of minimums (DUMY STORMEN, Which explets of end of 1994-95 section. Wolved Ruffin Hamilton, linebacker, Residend Charles Hade, affersive guard. KANSAS C17Y-Signed Eric Martin, wide receiver, to 2-year contract.

MIAMI-Signed Mark Coesar, detensive

lockle, from practice sound. Signey Scotl Typer, number, to practice sound, Najae Mus-latea, defensive back, retired. NEW ENGLAND—Placed Doug Skene.

PHILADELPHIA—Wolved Mitch Berger. PHILADELPHIA—Signed Gregory Cit-ton, wide receiver, to procitics scood. TAMPA BAY—Wolved Willie Green, wide

WASHINGTON-Wolved Rick

National Hockey League
DALLAS—Sent Jorkka Varvio, right wing
to HPK, Finnish Hockey League, Bought au contract of Mike Needly with one designed that is alternated against-er, and assigned that a Barningham. ECHL MONTREAL—Staned Olon Darling, de-tensemen, to 3-year contract. NEWJERSEY—Sent Jason Smith, defense-

mon, to Albony, AHL, Recolu

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# **PEANUTS**









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# SPORTS To the Top By Ian Thomsen Week around the TV in their botel singles title. He has become the around the floating aroun

By Ian Thomsen ational Herald Tribunt

A generation ago, Joe Chang set off from China like a wave crossing to the other end of the world. In America, he met his wife. Betty, who is also Chinese. He graduated from night school and they raised their two sons in a house with a stately Chinese living room and a casual American family room with a big TV at one end. Eventually, they would set off again toward Joe Chang's homeland.

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His younger son, Michael, had a unique talent for tennis, and the fam-ily grew used to traveling abroad with him. Michael Chang believes there is a purpose behind every movement, pushing everything along.

The Changs were in Paris at the French Open in June 1989, where Michael, then 17, would become the youngest Grand Slam titlist ever. He and his family spent much of that Asian player to win a Grand Stam

"That's one of the reasons I feel God really allowed me to win that tournament," Chang said. "That was a very down period for the whole Chinese race. Even though I was born in the U.S., I was still feeling for them. It was a period of nothing going right for the Chinese people. With the French Open happening the way it did, here at least was something going good - if only to look in the paper and to take that much out of it."

His perspective of Asia, while perhaps broader than the typical American view, was limited to the pain felt hy his parents. What could he do to help? As circumstances played themselves out, he became the first

about it even a couple of years later," he said Monday by telephone from Beijing. "When I traveled, I would watch CNN and they would always show very dramatic scenes of Tiananmen Square, updating things. To see it on TV was just very heart-

tion, for every movement a purpose. Chang can't explain all of it. He only knows that his father's family left China, leaving everything behind as the Communist government was taking hold. The family had owned something of a plantation, "almost a kind of town of its own," Chang said. Now Chang is helping his fa-ther go home at the age of 53.

For every action there is a reac-

Uotil the last year or two, Chang always defined his family culture

much as it has defined him. He is 22, a professional for seven years, ranked No. 7 in the world with winnings of more than \$5 million — and he lives at home with his parents and his older brother, Carl, who is his coach.

"When the typical Americao caches 20, 21, he's expected to go out and find an apartment and live by himself," Chang said. "In Chinese culture, it's a joy to the parents to have the children live at home while they can until they're married. Chi-nese families have a lot of respect for elders, for parents, for grandparents."

do, the things we eat," he added.

As the ATP Tour has moved toward China - also hranching out in Asia from Tokyo, Hong Kong and

"I feel like I'm more Chinese than American because of the things we about anything, but to be very thankful for the things you have."

spite of standing only 5 feet, 8 inches People who know him say he was ther's people, and his own. (1.75 meters), in Asia he is considered less the underdog, more the Chang said he only wanted to do champion. The hows and whys of his everything he could to help tennis play are as important as the results. take root in China. About 5 million nese. I want you to know that the Humility may be a weakness in the American marketplace, but it was still a strength in Joe Chang's coun
Who's to say how much China will Humility may be a weakness in the

in Beijing a year ago.
"In America, I notice when we play Davis Cup that the mentality is to be very confident, to say very confident things—like, 'I feel good, I should win this match no problem," he said. "I think the Chinese or Asian mentality is to be more subtle about things, to let your work do all of the talking, to not boast

try as the ATP Tour made its debut

more determined than ever to win.

change international sports in the coming decades? In a short time, the Chinese have come to dominate women's distance running, swimming and diving. Perhaps some success will be traced to an illicit use of drops but a greater factor will likely drugs, hut a greater factor will likely be the unique Chinese approach, un-bridled by Western psychology. In that case, the West will certainly react, because there always is a reaction. One part of the world will learn

week around the TV in their hotel room, watching the Chinese government's violent crackdown on democracy protesters in Beijing.

singles title. He has become the against the flashier American back—some the flashier American back—second with a ground. The boys were raised with a change as a heroic underdog in about it even a couple of years lat-

He took a deep hreath - admittedly nervous - and said in Mandarin: "First, I apologize for my Chi-Lord Jesus is definitely my strength and my love and my life. I will defi-nitely be coming back to see you."

A total of 20,000 came to that tournament to see professional tennis in China for the first time. Most

came to see Chang. opening match will be televised across the world's largest nation. Another generation from now, the Chinese may attribute their success in tennis to the piooeering American who came home. May Joe Chang live

# Lalas Makes a Mark in Italy Fans Toast American After Defeat of Milan

PADUA, Italy — Alexi Lalas made soccer history and became the toast of Italians tired

of the dominance of AC Milan. The 24-year-old defender scored the first goal ever by an American-born player in the Italian League as he led underdog Padova to a 2-0 victory Sunday over the defending Euro-

pean and Italian champion. "Lalas plays, Milan dances," said Rome's Corriere dello Sport of the American, who sings and plays a guitar in a rock group.

"Lalas sings the end of an era," chimed in

La Gazzetta dello Sport.

Lalas, who played for Rutgers and the U.S. World Cup team, scored in the 23d minute for Padova, promoted to the first division this season after 32 years in the lower division. Defender Franco Gabrieli added a second goal in the 61st minute to wrap up Padova's

first victory after four losses and a tie. "I don't intend to stop here," said Lalas, who nearly scored again in an offensive rush late in the second half. "I want to score more goals and hope they are as important as my goal against Milan.

Said Stefano Edel, a soccer columnist for the Padua newspaper Il Mattino: "Lalas is a personality, and that's new for Italian soccer. He's not only the first American, but he's

After the World Cup, Lalas also had offers

to play in the English and German first divi-

"I tried to picture myself in 20 years and would I regret giving up the chance of being the first American to play in Italy," Lalas

So, on loan from the U.S. Soccer Federation, he signed on for a year with Padova.

Lalas scored Padova's first goal of the year when the team shocked the traditional powerhouse Internazionale of Milan in a 1-0 victory

in an Italian Cup match.

The victory Sunday was especially sweet coming against heavily favored Milan, the team that is owned by Prime Minister Silvio Berlusconi and that has dominated European soccer in recent years.

Lalas, whose red hair and goatee have inspired Italian comparisons to the Wild West showman Buffalo Bill Cody, jumped advertis-ing boards surrounding the field and ran toward the stands after his goal. This prompted the referee to assess him a yellow card for improper conduct.

I can't understand it," Lalas was quoted as saying by Milan's Corriere della Sera. "I'm the first American to score in your league and they penalize me. Certain rules seem strange."

Lalas's plans after the season ends are unclear. He is on loan and said he might be lured by the U.S. professional league that is supposed to start play next spring.



Alexi Lalas putting the ball past AC Milan's goalkeeper, Sebastianio Rossi, sending Padova on its way to a victory.

## **SIDELINES**

## **Orioles Pick a First-Time Manager**

BALTIMORE (AP) — The Baltimore Orioles chose Phil Regan as their new manager, gambling that the baseball savvy he gained over several decades would outweigh his lack of managerial experience at the major-league level.

Regan, 57, was given a two-year contract with a club option for the third year. He replaces Johnny Oates, who was fired on Sept. 26. Regan was pitching coach for two American League teams, most recently with the 1994 Cleveland Indians, and spent seven years as a scout for the Los Angeles Dodgers. He also has managed teams in the winter leagues in the Dominican Republic or Venezuela since 1985.

"People asked me why I kept going back there 10 years in a row, and I can honestly say this is why," Regan said. "I wanted to be a major-league manager, and one of the ways I could do that was to go to the winter leagues and show everybody that I could manage."

## Estes Wins Texas Golf by a Stroke

SAN ANTONIO, Texas (AP) — Boh Estes, buoyed by a four-stroke lead entering the final round, shot a 1-under-par 70 on Sunday to win the Texas Open golf tournament for the first nictory of his seven-year career.

Estes, the leader all the way, won by a stroke, covering the Oak Hills Country Cluh course in 19-under 265. Gil Morgan finished second at 266 after a bogey-free round of 67 and Don Pooley was another shot back at 68-267.

## For the Record

ACROSS

"All done" 6 Nina of Jazz

Women will compete for the first time in the pole vault and hammer throw events at the 1998 European track and field championships, the European Athletics Association said on Monday.

\*City Slickers\*

16 "Wait a minute!

# What's in a Word? In NHL Lockout, Maybe a Lot

LOS ANGELES — AIthough the National Hockey League has called its work stoppage a postponement and has disputed the use of the term "lockout," the league is expected to concede - perhaps this week - that the stoppage that started Oct. 1 is a lockout.

In about 20 states, that

means hockey players would be eligible to file for unemployment benefits.

Not that many would take maintained it will be a full 84- game, and they're not letting. Players will have more time advantage of that status. But game season, Once you say the official declaration of a they're locked out, if you get lockoot might give them stroo- before a court of law, I think it ger legal footing if they wanted will be different." to pursue other temporary play-

"Right oow, the whole thing is hased on calling it a postpoorment," said Ron Salcer, an agent who is looking into placing players with European clubs and in the International Hock- can practice, but the only way

ing opportunities.

ey League. "The league has they get paid is if there's a to he lost.

From Oct. I, when the seasoo was scheduled to start, NHL officials insisted that the stoppage was a delay and not a lockout because games would be made up later, not lost.

"Players are being told they

games," said William S. Waldo, an attorney who represents management in labor disputes. "I've done this for 17 years. That's a lockout."

But the NHL's last hit of pretense is about to disappear. With its original Oct. 1 starting date long past and its second proposed date wiped out on Saturday because of a bargaining stalemate, games are certain

to pursue other jobs, hut only a few are expected to do so because of insurance concerns. International Hockey League clubs are reluctant to sign highpriced NHL talent.

Although René Fasel, the International Ice Hockey Federation's president, said last week that he would not let European clnbs sign idled NHL players, some said they would do so anyway.

Special Report on

# **Games Rift** Is Revived By China

The Associated Press

BELJING — China lavished praise on its athletes Monday for taking the lion's share of gold medals during the Asian Games, and lashed out at Taiwan and Japan.

China had threatened to boycott the Games in Hiroshima, Japan, unless Vice Prime Minister Hsu Li-teh of Taiwan was banned from the opening ceremonies oo Oct. 2. Hsu went, and Beijing set the issue aside and competed anyway.

Chinese athletes woo 137 gold medals —41 percent of the total and far more than any other country.

"Their glorious achievement shows that the people of China in its period of economic reform and opening have a vigor-ous fighting spirit." said a commentary in the official newspaper People's Daily.

After the games ended Sun-day, China resumed its criticism of Taipei and Tokyo for defying its protests.

The official Xinhua news agency said Monday that Japan's government damaged relations with China by allowing Hsu to attend the Games, although it did not elaborate on any consequences.

It said Japan violated pron ises made to Beijing when it established diplomatic relations with China and cut official ties

Hsu said he attended the games not as a government ligure, but only to promote Tai wan's bid to stage the 2002

Asian Games and Taiwan of repudiating Beij-

But Xinhua accused Japan ing's insistence oo recognition of only one China.

## U.K. Scientists Study Horse Virus

LONDON - Veterinary authorities in Australia have called in Britain's Animal Health Trust to help fight a virus that killed a horse trainer and 14 horses in Queensland. As well as affecting horses there are fears the virus is

virulent in humans and a range of other animals. James Wood, head of the epidemiology unit at the Trust, said the virus came from the family that causes measles in humans and distemper in dogs. He said scientists in Australia had grown the virus experimentally and injected it into four healthy horses. Three of them died.

The Queensland anthorities' 21-day han on racing in the state was lifted earlier last week.

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Herald Eribune

On October 31st, the IHT plans to publish a

# Private Banking

Among the topics to be covered are:

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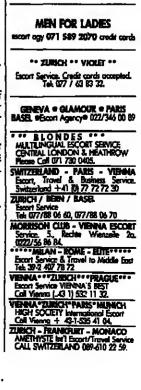
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# White Flag Over Berlin

Troopers.

WASHINGTON — The one everyone involved with the Na-difference between World zis during World War II. In War II and the present police addition to amnesty we will pay actions is the way in which we a pension to anybody who can treat our enemies. Haiti is a prove that he was a war crimi-

good example.

junta that killed and terrorized thousands of people. He is also said to bave stolen the country hlind. Knowing all of this the United States has decided to give him back his



Buchwald

millions and also pay him rent for property be owns in Port-

lt's all part of the Clinton War Criminal Amnesty Pro-

I couldn't belp thinking that if poor Adolf Hitler hadn't done himself in at the end of his illustrious career, he might have come out O. K.

If we had had a similar policy in 1945, as we have now concerning our enemies, this is what would have happened:

One of our people, possibly former President Herbert Hoover, would visit Hitler in his

"Adolf, I am here to persuade you to surrender." "Never."

"Wait before you say no. We'll let you keep Berchtesgaden and all your properties in

"What good are they?" "We'll rent them from you at \$40,000 a month. Our Treasury Department will put the funds in escrow in Switzerland."

"What about amnesty?" "Of course you will have am-

nal. The United States can't General Raoul Cedras is the blame you people for your acloser. He is said to have led a tions. As for you, Adolf, I am sure you had no idea what was going on with your Storm

> "I certainly did. Some of the best ideas came from me." "Right. Now we have a bomber standing by to take you and Eva Braun to Argentina."

tommy-gun.

celebrity.

teners out of an adult population of

roughly 75 million. He starred in

hane, the movie stars Tommy

Meighan and Tom Mix, even the

cracker-harrel wit Will Rogers, who

is remembered now more as the pro-

tagonist of the Broadway musical "The Will Rogers Follies" than as

one of America's top movie hox-of-fice attractions and leading political

Celebrities are hardly an endan-

gered species; there are more of them

these days than ever before. But the

lives of most celebrities, like that of

Winchell, are parables of perishahil-

ity. No matter how deeply one seems

sciousness, time can always unstick him. Today it is Winchell who is a

cultural foomote. Twenty years from

now it may be Madonna, Tom

Cruise. Rush Limbaugh or, quite

What unsticks them is the ques-

tion. The most obvious answer is that

it is a matter of numbers. For de-

cades, an ever-expanding pool of ce-

lebrities has been competing for a

So long as American culture re-

mained regionalized and so long as

high culture was the only American

national culture, the pool was rela-

possibly, all three.

finite public attention.

have stuck in the national con-

"What about all the furniture and artwork that I have acquired over the years?"

"The Eighth Air Force will fly all your belongings to you, and we'll send a decorator along to make sure that you find the right material for your bedroom.

Hoover could see that Hitler was getting interested. Adolf said, "I want a personal apology from Eisenhower for what he did to my troops on D-Day."

"That shouldn't be a problem," Hoover assured him. The important thing is we'd like you to resign in two months so we can turn Germany into a democracy."

"I will not he pushed around," Hitler said. "When I

lose a war, I expect respect."
"Everyone respects you. That's why they sent me to negotiate with you. We want you to get a square deal and, although you are our enemy, you deserve a pardon. How much rent do you want for the bun-

"As much as I can get. You won't find a view like it in all of Europe."

Fortunately, before closing the deal, Hitler ate a cream puff and keeled over dead. Unlike General Cédras, he never ennesty. We plan to grant it to joyed the fruits of his surrender.

The Celebrity Game: A Few Parables of Perishability tively small — mainly politicians, war heroes, the odd basehall player

By Neal Gabler NEW YORK — Walter Winchell. There was a time when that and entertainer.

But demographic and social name would have hit the ear with the changes gave rise to a new sense of same crisp report as Garbo. Cagney. Bogart or Presley. It was a name that cultural democracy in the 1920s as ethnic, minority and urban Amerionce would have instantly conjured cans began demanding a larger voice the image of a bantam in a snap-brim in shaping their world. Business hapgray fedora and summoned a voice, pily complied by providing the inhigh and staccato, firing words like a struments for a popular culture: movies, national magazines, radio, Every American knew Winchell. tahloids. The rise of mass media im-His syndicated gossip column and mediately generated a class of naweekly radio broadcast reached an tional celebrity — names and faces desperately needed to fill the maws estimated 50 million readers and lis-

movies, inspired songs, stirred con-Viewed in ruthless economic troversies. He was at the very apex of terms, these movie stars, athletes, artists, journalists and socialites were Today, less than 25 years after his really human commodities, if not death, Winchell is one of a legion of quite manufactured for the purpose celebrities who were once household of tantalizing us with their escapades. names and then faded into oblivion at least seized upon and exploited for - people like the playboy Mcivani brothers, the journalist Arthur Bris-

By the late '20s, dozens of these celebrities had appeared on the na-tional screen. But celebrities spawned by the mass media to sell papers, magazines and films were obviously different from those who had achieved fame before the advent of mass media. Some 30 years ago in his book "The Image," the historian Daniel J. Boorstin defined the basic difference as that hetween wellknownness for its own sake (modern celebrity) and fame as the product of greatness (old-fashioned heroism).

"The hero was distinguished by his achievement," wrote Boorstin, "the celebrity by his image or trademark." Or, in Boorstin's now oft-quoted pronouncement, "The celebrity is a person who is known for his well-

A striking case in point is Pezzy Hopkins Joyce. In the '30s and '40s, Joyce was probably as widely known as any entertainer, politician or athlete, though she was none of these. She had enjoyed a brief career as a showgirl and an even briefer one in movies, but her real claim to fame was as a bride. Running away from home with a vauneville oicyclist at



Quick now, who was Peggy Hopkins Joyce?

a few years later to a Washington socialite, then to a Chicago lumberman who granted her \$1.4 million in jewelry at their divorce, then to a Swedish nohleman, then to an English engineer and finally to an Ameri-

can oanker. Marrying was about all she did. but it was enough to make her a fixture in gossip columns, tabloids and magazines, just as it would a generation iter for Zsa Zsa Gabor. In Boorstin's postulation, fame rooted in achievement is enduring; to this day, we remember the great athletes could have predicted that Joyce 15, she was married at 16, then again famous she was in her own time, home run, the end results at least

because her fame wasn't tethered to any recognizable accomplishment. Or rather it was tethered to a very different kind of accomplishment:

Though Boorstin and others chalk modern celchrity up to media manipulation that hoodwinks the public, Americans early on came to appreciate that a Joyce or a Gabor or later a Madonna bad indeed achieved something in wresting fame from the system. To do so took publicity, wiles, luck, maybe even a certain talent. Perhaps more important, of vesteryear. By the same token, one the public also understood that if this wasn't quite comparable to winning would be forgotten, no matter how a war, writing a novel or hitting a

**PEOPLE** 

were all pretty much the same. It's not what you've done to make the cover of People; it's just making the

cover that counts. Here is where heroism and celebrity collapse into each other. In a society where fame is the end and where the means one uses to gain it are largely irrelevant, fame paradoxically functions as a kind of equalizer. It reduces all celebrities, those who have achieved something and those who have achieved absolutely nothing to the same valence - a Will Rogers and a Peggy Hopkins Joyce, a Norman Schwarzkopi and a Kato Kaclin.

This is how I suspect most people regard celebrities now. They see them as people who take the national stage, do their act and leave, invited to return only when they have something new to perform. This permits a lot of individuals to get a shot -ours is certainly the first generation in which hair stylists and diet garus can be famous - but it virtually guarantees a short run. Once you've achieved fame, you've reached the summit. The rest is all downhill.

Nowadays we almost always think of the famous in terms of images. In fact, we are encouraged to think of them that way because it is the images of them that sell them; scenes from movies, photos in newspapers and magazines, videotape on the evening news.

But images are disposable. New images are constantly shunting old ones aside, not only in the media hut more important, in our minds.

Naturally this puts a heavy premi-

um on a fresh supply of celebrities to help keep us ahead of the curve. The bonus is that by seeming to anoint new celebrities and banish many of the old from the media spotlight, the public not only feels knowing, it gets the exhilaration of seeming to exercise power over the culture. The public giveth and the public taketh. It is the only way we can redress the imbalance between the famous and ourselves.

Neal Gabler, the author of "Win-chell: Gossip. Power and the Culture of wrote this for The New

## WEATHER

# Europe Forecast for Wednesday through Friday, as provided by Accu-Weather. | Today | Migh | Low | W | Migh North America Rain will occur from St. Louis to Detroit Wednesday. Showes may reach the East Coass lailer Wednesday or Thursday. Atlanta to Charlotte will have warm weather later this week. The western half of the nation will have dry, seasonable weather late this weeks. A storm over the North Atlantic Ocean will generate heavy rains and gusty winds from the British Isles to westem Norway late this week. Centrel Europe will have on a gusty wind Windsweeh on a gusty wind Windsweeh showers are likely from Pare to London Wedneaday and

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NARCHY reigns in Hollywood, says A Raquel Welch, sex symbol turned production company chief. She adds that men always win the big power battles in Tinseltown. Welch, interviewed in Tatler magazine by the feminist writer Camille Paglia, praised screen hunk Sylvester Stallone for his brash energy and recalled what a joy Fave Dunaway was to work with on "The Three Musketeers." But Welch, who shot to fame in 1965's classic "One Million B. C.," was scathing in her enticism of the current Hollywood establishment. She said, "There has been a demise of any kind of structure that fights for quality. It's left up to the strongest so the men always win." Welch, 54, concluded, "Women make a big

Camilo José Cela has won the Planeta prize. Spain's richest hook award at 5385,000, for "Saint Andrew's Cross." Cela received the Nobel Prize in Literature

mistake when they polarize themselves

against men.

Myung-whun Clung, the ousted conductor of the Paris Opera who gave his final He said that before coming to Paris, "They performance Friday, says he regrets that used to tell me - I was in Rome then politicians call the cultural shots in France.



Myung-whun Chung: Paris finale.

that the orchestra, the public and politics,

all that was impossible in Paris. They were wrong, except for the politics." He is leaving with severance pay of about \$1.9 million. In dispensing with his services, he said, the Opera failed to take into account "the necessity of stability."

Crisis time during the filming of the serfi movie "Waterworld," starring Kevin Costner, who's earning \$12 million to play a half-man, half-fish. After four months of filming, with two to go, the movie has cost \$100 million. Food (heavy on the steak and lobsters) and lodging for the cast and crew of about 1,500 has cost more than \$25 million, the New York Daily News reported, with Cosmer's hungalow, counting the cook and butler, costing \$4,500 a day. "There's no point pretending this is a normal film," Costner says. out of hand."

A South Korean prodigy, Him Na Chang, 11, won the top prize of 70,000 francs (\$14,000) at the Rostropovich cello competition in Paris. Chang studies at the Juliard school in New York. The judges, led by Mstislav Rostropovich, gave second prize to Wolfgang Schmidt, 18, of Germany.



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